

Agenda Item No: 6
Report To: Audit Committee
Date of Meeting: 20 June 2023
Report Title: Internal Audit Report & Annual Opinion 2022/23
Report Author: Katherine Woodward
Job Title: Head of Mid Kent Audit Partnership



Summary: The Public Sector Internal Audit Standards (the Standards) require the 'Chief Audit Executive', for Ashford this role is fulfilled by the interim Head of Audit Partnership, to deliver an annual opinion that the Council can use to directly inform its Annual Governance Statement. The annual opinion provides a conclusion on the overall adequacy and effectiveness of the Council's framework of corporate governance, risk management and system of internal control.

Key Decision: NO

Significantly Affected Wards: All

Recommendations: **The Committee is recommended to:-**

- I. **Note** the Internal Audit Report and Annual Opinion. The opinion states that, for the 12 months ending 31 March 2023, the Council operated an effective framework of corporate governance, risk management and internal control.
- II. **Note** that the work to support the opinion was completed with sufficient independence and in conformance with Public Sector Internal Audit Standards

Policy Overview: The Public Sector Internal Audit Standards (The "Standards") require an annual audit opinion to inform the Annual Governance Statement.

Financial Implications: N/A

Legal Implications: N/A

Equalities Impact Assessment: No direct implications

Data Protection Impact Assessment:

**Risk Assessment
(Risk Appetite
Statement):** N/A

**Sustainability
Implications:** N/A

**Other Material
Implications:** N/A

**Exempt from
Publication:** NO

**Background
Papers:** Appendix A: Internal Audit Report & Annual Opinion 2022/23

Contact: Katherine-woodward@ashford.gov.uk
Katherine.Woodward@midkent.gov.uk

Report Title: Internal Audit Report and Annual Opinion 2022/23

Introduction and Background

1. Internal audit is a compulsory service for authorities as set out by Regulation 5 of the Accounts and Audit Regulations 2015. The principal objective of internal audit as described in that Regulation is: “[to] undertake [audit work] to evaluate the effectiveness of [...] risk management, control and governance processes, taking into account public sector internal auditing standards and guidance”
2. This report delivers the Head of Internal Audit annual reporting directed by the Public Sector Internal Audit Standards (the “Standards”). The report includes the Head of Audit Partnership’s annual opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control. This opinion feeds into the Annual Governance Statement for 2022/23.
3. The Standards, in particular Standard 2450 (Overall Opinions) direct the annual report to include:
 - The annual audit opinion
 - A summary of work completed that supports the opinion, and
 - A statement on conformation with Standards.
4. We have completed the work set out in the plan in full conformance with the Standards. We have also worked independently, free from undue influence of either officers or Members

Proposal

5. The interim Head of Audit Partnership is satisfied the Council can place assurance on the system of control in place during 2022/23. The Committee is asked to note this opinion.
6. The full Annual Report for 2022/23 is attached as an Appendix. This report includes a summary of all work conducted to support the opinion and affirms the independence and effectiveness of the internal audit service.
7. We present the opinion and associated report for noting and for Members to consider alongside their evaluation of associated year end reports into the Council’s finance and governance. This report does not seek any substantive decision or action from the Council as a direct result.

Equalities Impact Assessment

8. N/A

Consultation Planned or Undertaken

9. We consult and agree with relevant Heads of Service before finishing all findings and recommendations arising from individual audit engagements. The headline messages in our report have been discussed with the Management Team and have been shared to help prepare the Annual Governance Statement

Other Options Considered

10. N/A

Reasons for Supporting Option Recommended

11. N/A

Next Steps in Process

12. N/A

Conclusion

13. N/A

Portfolio Holder's Views

14. N/A

Contact and Email

15. Katherine Woodward
Head of Mid Kent Audit Partnership
Katherine.Woodward@midkent.gov.uk / Katherine.Woodward@ashford.gov.uk