

Waverley Borough Council

Report to: Audit Committee

Date: 20th June 2023

Ward(s) affected: All

Report of Director: Ian Doyle, Transformation & Governance

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Report Status: Open

Internal Audit Annual Report for 2022-23

1. Executive Summary

- 1.1 This report is a summary of the work carried out by Internal Audit during the financial year 2022-23 and also provides an audit opinion to support the Annual Governance Statement on the organisation's control environment.

2. Recommendation to Audit Committee

- 2.1 To enable the Audit Committee to be informed of the work that has been completed to date to provide them with assurance that the control environment is working as intended.

3. Exemption from publication

3.1 N/A

4. Purpose of Report

4.1 The Accounts and Audit Regulations 2015 (Part 2 s3) require local authorities to have a sound system of internal control and Internal Audit is part of this system of internal control. Part 2 (s5) of the Regulations state that an authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes.

5. Strategic Priorities

5.1 A financially sound Waverley, with infrastructure and services fit for the future.

6. Background

6.1 The 2022-23 Internal Audit Plan was approved at the March 2022 Audit Committee to be completed with a combination of the internal resource of the Internal Audit Manager and the external contractor Southern Internal Audit Partnership (SIAP) provided a total of 330 audit days. The scheduling of planned reviews for the later quarters of the year were slow due to the Senior Management Restructure as the responsible Officers for the areas for review were reallocated to the appropriate Executive Head of Services. This resulted in 11 reviews being completed to final report stage, with 9 reviews still in progress. Due to various operational reasons 7 reviews were deferred to 2023-24 financial year and these have where it was deemed applicable been included in the 2023-24 Audit Plan.

6.2 There are 9 reviews still in progress that need to be concluded to final report stage, 4 have had their closure meeting and the remaining 5 are still in progress. The contents of these reviews indicate that there are

no implications that will affect the annual opinion provided later in this report.

7. Consultations

7.1 Executive Heads of Service, Management Board and the Chairman and Vice-Chairman of the Audit Committee were engaged throughout the year on the internal audit activity.

8. Key Risks

8.1 The work completed by Internal Audit provides an independent assessment of the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

9. Financial Implications

9.1 Maintenance of an effective internal audit service to Waverley Borough Council that embraces the requirements of the CIPFA Code of Practice, the Public Sector Internal Auditing Standards and other professional internal audit institutes such as the IIA.

10. Legal Implications

10.1 Under the Audit and Accounts Regulations 2015 the Council is required to receive annual reports of the work of the Internal Audit service, and consider the effectiveness of the control mechanisms in place. This report is prepared to meet this requirement and support Members in discharging the Council's duties

11. Human Resource Implications

11.1 N/A

12. Equality and Diversity Implications

12.1 There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

13. Climate Change/Sustainability Implications

13.1 There are no direct implications in the report.

14. Conclusion

14.1 The contents of the report inform the Audit Committee of the Internal Audit work that has been completed in 2022-23, and provides the Internal Audit Managers opinion on the control environment at Waverley Borough Council.

15. Background Papers

15.1 There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

16. Appendices

16.1 Appendix 1 – Internal Audit Annual Report for 2022-23.

17. Governance Journey

17.1 The minutes of the meeting will be included on the next Council agenda.

Please ensure the following service areas have signed off your report.
Please complete this box, and do not delete.

Service	Sign off date
Finance / S.151 Officer (Rosie Plaistowe Melham)	25/05/2023 (RP)
Legal / Governance (Ian Hunt)	23/05/2023
HR (Jon Formby)	26/05/2023
Equalities (Louise Norie)	18/05/2023
Lead Councillor	N/A
CMB	N/A
Executive Briefing/Liaison	N/A
Committee Services	25/05/2023