

SUBJECT: INTERNAL AUDIT ANNUAL AUDIT REPORT

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: AMANDA STANISLAWSKI AUDIT MANAGER

1. Purpose of Report

- 1.1 To receive and comment upon the Annual Internal Audit Report 2022/23.

2. Background

- 2.1 The Public Sector Internal Audit Standards require that the Internal Audit Manager must deliver an annual opinion and report that can be used by the Council to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 2.2 The Annual Internal Audit Report of the City of Lincoln Council aims to present a summary of the audit work undertaken over the past year. In particular:
- Include an opinion on the overall adequacy of and effectiveness of the governance framework and internal control system and the extent to which the Council can rely on it;
 - Informs how the plan was discharged and of overall outcomes of the work undertaken;
 - Draws attention to any issues particularly relevant to the Annual Governance Statement.
 - Summarises the performance of Internal Audit against its key performance measures.
 - Comments on compliance with standards.

3. Annual Audit Report

- 3.1 The Annual internal audit report (Appendix A) provides a summary of Internal Audit work undertaken during 2023/2024 timed to support the Annual Governance Statement by providing an opinion on the organisation's governance, risk management and internal control environment.
- 3.2 Overall our opinions remain the same as for 2022/23. There are three areas, governance, risk and internal financial control, where we have been able to provide the highest level of assurance - working well: no concerns that significantly affect the governance framework and successful delivery of the Council priorities. Internal control was assessed as performing adequately – some improvements identified over the Council's Governance, Risk and Control framework. This is due to a number of factors including there being two Limited Assurance reports and resource capacity which can have an impact on the internal control environment.

- 3.3 There have not been any restrictions on the scope of the work to be undertaken. The reduction in time available due to vacancies within the team throughout the year has been covered through the employment of consultants and removal of items from the plan.
- 3.4 Performance of the Internal Audit Service remains good with 87% of the revised plan being completed and a high level of customer satisfaction. Performance has been impacted due to capacity in some areas including audit span and the ability to chase management responses.

4. Organisational Impacts

4.1 Finance (including whole life costs where applicable)

There are no direct financial implications arising as a result of this report.

4.2 Legal Implications including Procurement Rules

To ensure compliance with the Accounts and Audit regulations and Internal Audit standards an annual report should be produced.

4.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

There are no direct E and D implications arising as a result of this report.

5. Recommendation

- 5.1 The Audit Committee consider and comment on the contents of the report and appendix.

Is this a key decision?

Yes/No

**Do the exempt
information categories
apply?**

Yes/No

**Does Rule 15 of the
Scrutiny Procedure Rules
(call-in and urgency)
apply?**

Yes/No

**How many appendices
does the report contain?**

One

**List of Background
Papers:**

None

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