

# **Guildford Borough Council**

Report to: Corporate Governance and Standards Committee

Date: 26 September 2024

Ward(s) affected: All

Report of : Deputy Head of Southern Internal Audit Partnership

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Report Status: Open

## **Internal Audit Annual Report 2023-24**

### **1. Executive Summary**

- 1.1 The Annual Internal Audit Report & Opinion provides a summary of audit work that has been undertaken during the year (2023-24) to obtain all information and explanations considered necessary to provide sufficient assurance that the control environment is both reasonable and effective.
- 1.2 Whilst no assurance can ever be absolute, on the basis of audit work completed, it is the Chief Internal Auditor's opinion that the Council's framework of governance, risk management and control is 'limited'.
- 1.3 The Council has faced significant challenges over the past year and the improvements put in place will help to strengthen the Council's governance, risk and control arrangements.

- 1.4 This Annual Report is being resubmitted to the Committee for formal approval, as the version considered by the Committee at its last meeting has been updated to reflect changes in the risk management section following further consultation with officers. No additional changes have been made. Furthermore, the Committee was only requested to note the Annual Report at the meeting, when it should have been invited to approve it.

## **2. Recommendation to Committee**

- 2.1 That the Committee approves the Annual Internal Audit Report and Opinion for 2023-24, attached as Appendix 1 to this report.

## **3. Reasons for Recommendation:**

- 3.1. The Committee has a responsibility to approve the Annual Internal Audit Report and Opinion in accordance with the Public Sector Internal Audit Standards.
- 3.2. To ensure good governance arrangements and internal control by undertaking an adequate level of audit coverage.

## **4. Exemption from publication**

- 4.1. No part of this report is exempt from publication.

## **5. Purpose of Report**

- 5.1 The purpose of this paper is to provide the Committee with the annual audit opinion (2023-24) summarising internal audit's opinion on the Council's framework of governance, risk and control. (Appendix 1).

## **6. Strategic Priorities**

- 6.1 The audit of Council services supports the priority of providing efficient, cost effective and relevant quality public services that give the community value for money.

## **7. Background**

7.1 The Accounts and Audit (England) Regulations 2015 state:

*'a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management control and governance processes, taking into account public sector internal auditing standards or guidance'*

7.2 The Chief Internal Auditor must deliver an annual internal audit opinion and report that can be used by the organisation to inform its annual governance statement.

7.3 The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

7.4 The annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

7.5 In accordance with the Standards, the annual internal audit report and opinion should be approved by senior management and the Corporate Governance and Standards Committee.

7.6 Guildford Borough Council has faced significant issues over the past 12 months, with the risk of a s114 notice flagged up in July 2023 and the identification of a fraud within the housing maintenance service. In dealing with these issues, the Financial Recovery Plan has put in place significant improvements around staffing, procedures, monitoring and controls. Governance improvements have also been made in response to the governance reviews undertaken by SOLACE. This is important context for the audit work undertaken in 2023-24 and the changes made will provide a platform for significant improvements in the future.

## **8. Consultations**

8.1. None.

## **9. Key Risks**

9.1. None.

## **10. Financial Implications**

10.1. None.

## **11. Legal Implications**

11.1. None.

## **12. Human Resource Implications**

12.1. None.

## **13. Equality and Diversity Implications**

13.1. None.

## **14. Climate Change/Sustainability Implications**

14.1. None.

## **15. Conclusion**

15.1 The Committee is asked to approve the Annual Internal Audit Report and Opinion for 2023-24, as set out in Appendix 1 to this report.

## **16. Background Papers**

None.

## **17. Appendices**

Appendix 1: Internal Audit Annual Report and Opinion 2023-24.