


<p>Non-Executive Report of the:</p> <p>Audit Committee</p> <p>Monday, 8^h July 2024</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Julie Lorraine - Corporate Director, Resources</p>	<p>Classification: Open (Unrestricted)</p>
<p>Head of Internal Audit's Annual Report and Opinion: 2023-24</p>	

Originating Officer(s)	David Dobbs – Head of Internal Audit, Fraud & Risk
Wards affected	(All Wards)

Reasons for urgency

The attached report was not published five clear days in advance of the meeting, due to the late receipt of information from officers which required additional time for Internal Audit to consider and assimilate.

Executive Summary

This report provides the Annual Audit Opinion of the Head of Internal Audit in accordance with the requirements of the Public Sector Internal Audit Standards. The opinion supports the governance conclusions included within the Annual Governance Statement, which forms part of the Statement of Accounts required under the Accounts and Audits Regulations 2015.

Recommendations:

The Audit Committee is recommended to:

1. Note the content and opinion of the Head of Internal Audit as outlined within the Head of Internal Audit Annual Report which includes a summary of the work undertaken during 2023-24.

1. REASONS FOR THE DECISIONS

- 1.1 The Accounts and Audit Regulations 2015 require authorities to maintain an adequate and effective system of internal audit of its accounting records and systems of internal control in accordance with proper practices. The Audit Committee has responsibility for oversight over the authority's governance, risk, and control frameworks. The annual report from the Head of Internal Audit assists the Audit Committee in discharging this responsibility.

2. ALTERNATIVE OPTIONS

2.1 None.

3. DETAILS OF THE REPORT

- 3.1 Internal Audit is a statutory requirement under the Accounts & Audit Regulations 2015 for English local authorities (including police and fire bodies). The regulations state that a local authority shall maintain an adequate and effective system of internal audit and recognise the need to follow public sector internal audit standards.
- 3.2 The Public Sector Internal Audit Standards (PSIAS) define the way in which internal audit should undertake its functions and requires that a written report is submitted to those charged with governance, which should include an opinion on the overall adequacy and effectiveness of the Council's governance, risk management, and internal control frameworks. The annual opinion supports the Annual Governance Statement, which is required under Regulation 6 of the Accounts and Audit Regulations 2015.
- 3.3 The attached report summarises the work undertaken by Internal Audit during the 2023-24 financial year. It focusses on the outcomes of audit reviews, management actions, anti-fraud activities and service performance.
- 3.4 The regulations also require that a formal review of the 'effectiveness of the system of internal audit' is conducted. The annual audit opinion together with the review of conformance with the Public Sector Internal Audit Standards provides this assurance.
- 3.5 The annual assurance opinion provided within the annual internal audit report informs and forms part of the 2023-24 Annual Governance Statement (AGS), which is presented to the Audit Committee separately and included in the Statement of Accounts for the corresponding period.

4. EQUALITIES IMPLICATIONS

- 4.1 There are no specific statutory implications.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 There are no other statutory implications.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The noting of the report Head of Internal Audit's Annual report does not give rise to specific financial implications. However, internal audit is a key element of robust financial governance, with the Accounts and Audit Regulations 2015 requiring authorities to maintain an adequate and effective system of internal audit of its accounting records and systems of

internal control in accordance with proper practices. The individual audit reports previously presented considered any specific financial implications in relation to those audits.

7. COMMENTS OF LEGAL SERVICES

- 7.1 This report and the appendices comply with the Council's legal obligations in respect of auditing and the management of risk. It also demonstrates that the Council has appropriate systems in place to manage its financial affairs in compliance with the Corporate Director Resources' duties under s.151 of the Local Government Act 1972.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Head of Internal Audit Annual Report and Opinion: 2023-24

Local Government Act, 1972 Section 100D (As amended)

List of "Background Papers" used in the preparation of this report

- NONE

Officer contact details for documents:

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