

Bolsover District Council

Meeting of the Audit Committee on 18th July 2024

Internal Audit Consortium Annual Report 2023/24

Report of the Head of the Internal Audit Consortium

Classification	This report is public
Report By	Head of the Internal Audit Consortium
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PURPOSE/SUMMARY OF REPORT

The purpose of this report is to: -

- Present the 2023/24 Internal Audit Consortium Annual Report for Bolsover District Council and the Head of Internal Audit's opinion on the adequacy of the Council's arrangements for governance, risk management and control.
- The report enables the Audit Committee to obtain necessary assurances on the overall arrangements of governance, risk management and control systems.

REPORT DETAILS

1. Background

- 1.1 The Public Sector Internal Audit Standards require that the Head of the Internal Audit Consortium delivers an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement.

2. Details of Proposal or Information

- 2.1 The 2023/24 Internal Audit Consortium Annual Report that includes the audit opinion for Bolsover District Council is attached at Appendix 1.
- 2.2 The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and internal control. The work of internal audit over the year allows the Head of Internal Audit to form the annual internal audit opinion as required by the PSIAS. The opinion is also derived from other assurances such as the work of the Risk Management Group and Public Sector Network compliance.

- 2.3 The Head of Internal Audit's opinion for 2023/24 set out in the attached annual report is that: -

Reasonable assurance can be provided on the overall adequacy and effectiveness of the Council's framework for governance, risk management and control for the year ended 2023/24. In terms of Dragonfly Management (Bolsover) Ltd reasonable assurance can also be provided. During the 2023/24 financial year, the governance arrangements with the wholly owned company Dragonfly Development Ltd have been in development and the operation of these will be assessed in the 2024/25 financial year. In terms of Dragonfly Development Ltd the Council is placing reliance on the assurance received from the company's external auditors.

Assurance can never be absolute. In this context "reasonable assurance" means that arrangements are in place to manage key risks and to meet good governance principles but there are some areas where improvements are required.

- 2.4 The annual report also provides a summary of the work undertaken by Internal Audit in 2023/24, information on the performance of the Internal Audit service, an assessment of conformance against the Public Sector Internal Audit Standards and the results of the Quality Assurance and Improvement Programme (QAIP).

3. Reasons for Recommendation

- 3.1 To present to Members the annual report for the Internal Audit Consortium in respect of Bolsover District Council for 2023/24.
- 3.2 To ensure compliance with the Public Sector Internal Audit Standards.
- 3.3 To provide an annual opinion on the overall adequacy and effectiveness of the Council's governance, risk and control arrangements including any qualifications to that opinion.

4 Alternative Options and Reasons for Rejection

- 4.1 Alternative options are not applicable, the PSIAS require that an annual report is produced including an opinion on the Council's governance, risk and control arrangements.

RECOMMENDATION

1. That the 2023/24 Internal Audit Consortium Annual Report for Bolsover District Council and the overall assurance opinion on the Council's governance, risk management and control arrangements be accepted.

IMPLICATIONS:

Finance and Risk: Yes No

Details:

The annual report provides assurance to the Audit Committee on the governance, risk management and control arrangements in place.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account the Public Sector Internal Audit Standards or guidance”.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Whilst there are not considered to be any direct environmental impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council’s Ambition.

Staffing: Yes No

Details:

On behalf of the Head of Paid Service

DECISION INFORMATION

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i></p>	No

<p>District Wards Significantly Affected</p>	None
<p>Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p>	Details:

<p>Links to Council Ambition: Customers, Economy and Environment.</p>
<p>The Head of Internal Audit's annual opinion helps to provide assurance that the council's resources and priorities are focused on achieving the objectives within the Ambition Statement and that there are appropriate governance, risk and control arrangements in place.</p>

DOCUMENT INFORMATION	
Appendix No	Title
1	Internal Audit Consortium Annual Report 2023/24 for Bolsover District Council.

<p>Background Papers</p>
<p><i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i></p>