

Audit Committee

Meeting Date – 29th August 2024



Internal Audit Annual Audit Opinion 2023-24

Executive Member(s): Liz Leyshon – Lead Member for Resources and Performance

Lead Officer: Nicola Hix – Service Director Finance and Procurement

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Summary / Link to Council Plan

1. Somerset Council was established on the 1 April 2023 bringing together the five previous legacy local authorities. The opinion is set in the context of the significant disruption that local government reorganisation creates post vesting day as the single authority assumes direct control over all previous services, structures and processes. Somerset Council had the additional challenge of implementing a new financial system coupled with a financial emergency declaration.
2. The Internal Audit function plays a central role in corporate governance by providing assurance to the Audit Committee, assessing governance, risk management and internal controls and checking on the probity of the organisation.
3. The purpose of the 2023-24 Annual Internal Audit Plan is to provide independent and objective assurance on SC's internal control environment. This work will support the Annual Governance Statement.

Issue for Consideration / Recommendations

4. Members of the Audit Committee are asked to note the Internal Audit Annual Audit Opinion for 2023-24 for Somerset Council (see Appendix A – SWAP Annual Audit Opinion Report 2023-24).

Reasons for recommendations

5. Internal Audit is required under the Public Sector Internal Auditing Standards

(PSIAS) to report directly to the Audit Committee on matters relating to governance, risk and internal control. This is to assist the Audit Committee with its oversight of governance, risk and internal control in Somerset Council. The Head of Audit is required under the PSIAS to provide an annual opinion based on an objective assessment of the framework of governance, risk management and control.

Links to Council Plan and Medium-Term Financial Plan

6. Delivery of the corporate objectives requires strong governance, risk management and effective internal controls. Internal Audit seeks to provide independent and objective assurance on matters relating to governance, risk and control processes that ultimately ensures delivery of statutory services and corporate aims and objectives.

Financial and Risk Implications

7. Any large organisation needs to have well-established and systematic risk management framework in place to identify and mitigate the risks it may face. SC has a risk management framework, and within that, individual internal audit reports deal with the specific risk issues that arise from the findings. These are translated into mitigating actions and timetable for management to implement.

Legal Implications

8. There are no specific legal issues relating to this report.

Background

9. SWAP Internal Audit Plan 2023-24 as reported SC Audit Committee April 2023.

Appendices

Appendix A – SWAP Internal Audit Opinion Report 2023-24