

Report to **Policy & Resources Committee**
Date **27 June 2024**
By **Chief Internal Auditor**
Title of Report **Internal Audit – Annual Report and Opinion**

Note

Recommendation: The Committee is recommended to:

- 1. Note the content of the Annual Audit Report (2023/24) and the Audit Opinion (2023/24); and**
 - 2. Take into account the content of the Annual Audit Report, to conclude that the Committee is satisfied with the effectiveness of Internal Audit during 2023/24.**
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1. Introduction

1.1 This report presents the Internal Audit Annual Report and Opinion for 2023/24 and includes:

- The annual opinion on the adequacy and effectiveness of SDNPA's internal control environment;
- A summary of audit coverage and outcomes for 2023/24, and
- Summary of our performance against key indicators.

1.2 This opinion contributes to the annual review of governance arrangements and the production of the Annual Governance Statement.

2. Policy Context

2.1 The Accounts and Audit Regulations require that a “*relevant authority 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*”.

2.2 The committee's Terms of Reference requires the committee to “*meet the requirements of the Accounts and Audits regulations 2015 in respect of; conducting an annual review of the effectiveness of internal audit*”. To support this annual review, the committee is presented with information within the annual report that outlines how we comply with the Public Sector Internal Audit Standards (PSIAS) in the following areas:

- Purpose, authority and responsibility;
- Independence and objectivity;
- Proficiency and due professional care;
- Quality assurance and improvement programme;
- Managing the internal audit activity;
- Nature of work;

- Engagement planning;
- Performing the engagement;
- Communicating results;
- Monitoring progress; and
- Communicating the acceptance of risks.

3. Issues for consideration

- 3.1 The Internal Audit Strategy and Plan, which was approved by Policy & Resources Committee on 23rd February 2023, provides a key mechanism for providing assurance that the Authority’s internal control, risk management, and governance arrangements are effective.
- 3.2 Consultations on the Internal Audit Plan continued throughout the year with the Chief Finance Officer and the Chief Executive, however, no deviations from the approved Internal Audit Plan were necessary. Therefore, all audits were completed by the year end.
- 3.3 Our Annual Report is attached at Appendix I.
- 3.4 Based upon the internal audit work undertaken, our overall opinion is that **Reasonable Assurance** can be provided and that an effective system of internal control is in place at SDNPA for the financial year ended 31 March 2024.

4. Other implications

| Implication | Yes*/No |
|---|--|
| Will further decisions be required by another committee/full authority? | No |
| Does the proposal raise any Resource implications? | No. The Internal Audit plan should be delivered within the agreed audit fee. |
| How does the proposal represent Value for Money? | The Internal Audit Service is provided through a contract with Brighton & Hove City Council which formed part of a wider procurement of financial services. |
| Which PMP Outcomes/ Corporate plan objectives does this deliver against | All PMP Outcomes and Corporate plan objectives are considered as part of the annual audit plan process. |
| Links to other projects or partner organisations | Audit clients identified as appropriate. |
| How does this decision contribute to the Authority’s climate change objectives | This report doesn’t directly contribute to the Authority’s climate change objectives. |
| Are there any Social Value implications arising from the proposal? | No |
| Have you taken regard of the South Downs National Park Authority’s equality duty as contained within the Equality Act 2010? | Yes – there are no equalities issues arising from this update report. Equalities considerations are also taken into individual audit reviews as appropriate. |

| Implication | Yes*/No |
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| Are there any Human Rights implications arising from the proposal? | No |
| Are there any Crime & Disorder implications arising from the proposal? | No, but the service includes the provision of advice and investigation of frauds and irregularities when required. |
| Are there any Health & Safety implications arising from the proposal? | No, but individual audits consider health and safety risks where appropriate. |
| Are there any Data Protection implications? | No, but individual audits consider GDPR issues where appropriate. |

5. Risks Associated with the Proposed Decision

3.5 Internal Audit has an important role to play in relation to effective risk management for the organisation. The SDNPA risk register is considered when developing the Internal Audit Strategy and Plan and the planning of individual audit reviews. Audit review and testing of controls are orientated towards these risks plus the operational controls within individual systems and services.

Mark Winton

Chief Internal Auditor

South Downs National Park Authority

Contact Officer: Mark Winton, Audit Manager (ICT) and SDNPA Chief Internal Auditor

Tel: 07740 517282

Email: mark.winton@eastsussex.gov.uk

Appendix I: Annual Audit Report and Opinion 2023/24

SDNPA Consultees Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services, Head of Governance; Head of Finance & Corporate Services

External Consultees None

Background Documents Internal Audit Strategy and Plan 2023/24
Individual audit reports.
Internal Audit Progress reports to Policy and Resources Committee

