

Audit and Standards Committee

Date: Thursday 18 July 2024
Time: 10.00 am
Venue: Committee Room 2, Shire Hall

Membership

John Bridgeman (Chair)
Councillor Jo Barker
Councillor John Cooke
Councillor Sarah Feeney
Councillor Bill Gifford
Councillor Bhagwant Singh Pandher
Councillor Ian Shenton
Robert Zara

Items on the agenda: -

1. General

(1) Apologies

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

(3) Minutes of the previous meeting

To approve the minutes of the meeting held on 23 May 2024.

5 - 10

2. Internal Audit Annual Report 2023-24

To consider a report summarising the results of internal audit work carried out in the year ended 31 March 2024.

11 - 24

3. Work Programme and Future Meeting Dates

To consider the items for the Committee's Work Programme and note the dates of future meetings to be held at Shire Hall, Warwick, as follows:

25 - 28

- 19 September 2024
- 28 November 2024
- 20 March 2025

All meetings to commence at 10am

4. Any Other Business

5. Reports Containing Exempt or Confidential Information

To consider passing the following resolution:

‘That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972’.

6. Internal Audit Update Report

29 - 38

To consider a report summarising the results of internal audit work undertaken since May 2024.

7. Exempt Minutes of the Previous Meeting

39 - 40

To approve the exempt minutes of the meeting held on 23 May 2024.

Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

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Disclosures of Pecuniary and Non-Pecuniary Interests

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. Any changes to matters registered or new matters that require to be registered must be notified to the Monitoring Officer as soon as practicable after they arise.

A member attending a meeting where a matter arises in which they have a disclosable pecuniary interest must (unless they have a dispensation):

- Declare the interest if they have not already registered it
- Not participate in any discussion or vote
- Leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests relevant to the agenda should be declared at the commencement of the meeting.

The public reports referred to are available on the Warwickshire Web
<https://democracy.warwickshire.gov.uk/uuCoverPage.aspx?bcr=1>

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Audit and Standards Committee

Thursday 23 May 2024

Minutes

Attendance

Committee Members

John Bridgeman (Chair)
Councillor John Cooke
Councillor Sarah Feeney
Councillor Bill Gifford
Councillor Bhagwant Singh Pandher
Councillor Ian Shenton
Robert Zara, Independent Member

Officers

Amy Bridgewater-Carnall, Senior Democratic Services Officer
Paul Clarke, Internal Audit Manager
Sarah Duxbury, Director of Strategy, Planning and Governance
Andrew Harper, Head of Strategic Finance
Chris Norton, Head of Investments, Audit and Risk
Rob Powell, Executive Director for Resources

Others Present

Avtar Sohal, Grant Thornton

1. General

The Chair welcomed everyone to the meeting and expressed his gratitude to Virginia Rennie, Director of Finance who was due to retire soon. He described her as an ultimate professional and asked the Committee to join him in thanking her for her incredible contribution to the Council. John Bridgeman went on to describe her diplomacy skills, applauded that she could always be counted on and wished her all the best in the future.

(1) Apologies

Apologies for absence were received from Councillor Jo Barker and Virginia Rennie, Director of Finance.

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

None.

(3) Minutes of the Previous Meeting

The minutes of the meeting held on 14 March 2024 were agreed as a correct record, noting the grammatical amendments made.

2. Update on External Audit Certification

Andrew Harper, Head of Strategic Finance, introduced the report which was twofold, firstly introducing the external auditor's audit progress and annual update, along with a summary of the external issues and financial trajectory. Secondly, the report updated the Committee on the conclusion of the external auditor's work on the objection to the County Council's accounts for the financial year ended 31 March 2018.

Andrew Harper recognised the extensive work undertaken on this matter, advising that this had been formally closed on 10 April 2024 with a letter to the objector and shared with the Chair. The report advised that no further action would be taken but did include a best practice recommendation as detailed in paragraph 1.5. Andrew Harper concluded by advising that formal closure notices could now be issued.

The Chair expressed his relief that the objection to the accounts had now been dealt with and noted the importance of dealing with queries through the proper channels.

Avtar Sohal, Grant Thornton, thanked the Committee for their patience in relation to this matter and advised that the external auditors were looking to sign off all certificates in the coming weeks.

Following a question from the Chair about learning lessons, Avtar Sohal explained that the main delay in resolving this objection had been caused by capacity issues within Grant Thornton. He gave an assurance that the Council was prompt at responding to any queries or requests for information.

Further discussions followed about potentially spurious complaints and the processes that needed to be undertaken to address any queries raised.

Robert Zara, Independent Member, drew the Committee's attention to the reference made on page 22 in relation to preventing failure in Local Government and advice for Audit Committees. He felt that specialist training and support may be useful to new members, recognising that the guidelines were valuable to avoid complacency. The specialist training supplied to the Pensions Sub-Committee was discussed which was often delivered in shorter, online sessions.

Councillor Ian Shenton agreed, adding his support to the potential of specialist training. He also noted the changes to audit practices and queried if this was a dilution of audit's purpose.

Councillor Sarah Feeney referred to the section on Levelling-up Funds on page 26 and the key questions detailed. She hoped that the difficult questions would be asked about risky projects. Following a question from the Chair, she advised she was happy to take advice from officers but she, and other members, noted that they would not want to be precluded from asking challenging questions where necessary.

In relation to the training issue raised, Members were mindful of the lessons to be learned from those local authorities that had published Section 114 notices and whether specific areas of weakness had been identified.

Officers advised that opportunities for training with the LGA were being explored with a view to providing something later in the year.

Resolved

That the Audit and Standards Committee

- 1) Consider and make any comments on the attached External Auditor's Progress Report and Sector Update; and
- 2) Note the External Auditor's conclusion to the objection to the 2017/18 Warwickshire County Council Statement of Accounts.

3. Draft Annual Governance Statement 2023-24

Chris Norton, Head of Investments, Audits and Risk, introduced the report which detailed the Draft Annual Governance Statement 2023/24, as attached at Appendix 1.

Chris Norton explained that the report considered the governance arrangements and effectiveness of the Council's arrangements against key governance principles. It also set out key challenges and detailed the governance action plan from 2023/2024 onwards. The new directorate structure was also reflected along with assurance sign off from Directors.

The Chair raised a query in relation to the processes in place when staff transitioned to or from senior positions. In particular, he was interested in who had overall responsibility to ensure that handover and knowledge sharing were undertaken. In response, Chris Norton advised that in his experience most officers took advice from HR using the managing leavers checklist, knowledge transfer guides and IT handover lists.

Rob Powell, Executive Director for Resources, gave assurances that these issues were taken very seriously in senior roles, with robust planning undertaken for handover of roles. He gave an example of the recent changes in senior roles in Finance, with staff taking additional measures to ensure the Council's work could continue seamlessly.

Sarah Duxbury, Director of Strategy, Planning and Governance advised that the HR policies and procedures had been designed to pick up these issues and ensure that accountability was clear. The Executive Director for the relevant service area was ultimately responsible, however, she was not aware of any history of problems in this area.

Councillor Sarah Feeney raised a concern about school place provision, queried what Members could do to help ensure that suitable places were available in the right areas of the County and whether the Committee had a role to play in monitoring that. Rob Powell highlighted the difference between Executive and Audit matters and suggested that Overview and Scrutiny may be best placed to look at such issues in more detail. In terms of the remit of this Committee, he reminded Members that School Provision was on the risk register and reported on quarterly.

Members noted that this had been raised for discussion at Cabinet and full Council recently and was recognised as a significant issue. The funding challenges were also discussed along with the need to try to ensure the correct provision was made.

Having received no further questions, the Chair proposed the recommendation as laid out.

Resolved

That the Audit and Standards Committee endorses the Draft Annual Governance Statement 2023/24 (AGS), at Appendix 1, for publishing and issuing to the Council's External Auditor.

4. Warwickshire County Council - External Audit Risk Assessment 2023/24

The Committee considered a report from Grant Thornton's representative, Avtar Sohal. He explained that this was an annual report, compiled of a series of questions asked of management designed to obtain an understanding of management processes and the Council's oversight of a number of areas.

Avtar Sohal explained that the management responses received, attached at Appendix A, seemed reasonable and there was nothing that presented a specific audit risk or that would appear to uncover any further work.

Following a question from the Chair, Andrew Harper advised that his team were responsible for compiling the management response and any changes would originate through them. He advised that there had been no changes as yet and all responses had been received on time.

In response to an additional question from the Chair, Andrew Harper went on to explain that the starting point for this work was to review past risk assessments and remove any that were no longer relevant. He would also be able to advise on those risks removed from last year as a record was kept of any changes.

In addition, Avtar Sohal explained that any changes would be included in the final findings report. He also assured the Committee that this was a high-level view and in line with expectations.

Resolved

The Audit and Standards Committee

- 1) Considered the Audit Risk Assessment for 2023/24, attached at Appendix A; and
- 2) Note that the Executive Director for Resources will update this assessment, if any further information becomes available between this Committee and the draft 2023/24 Statement of Accounts being issued, with any changes being reported to the next meeting of the Committee.

5. Warwickshire Pension Fund - External Audit Risk Assessment 2023/24

The Committee considered a report from Grant Thornton representative, Avtar Sohal. He explained that this was an annual report, similar to the previous report but relating to the Pension Fund key risk areas.

Avtar Sohal reiterated that the report did not contain anything of concern and any key issues and significant changes from last year's report were summarised in a table at section 1.3 of the report.

The Chair raised the issue of the cyber-attack on Capita systems from last year, the full details of which were still not fully known. He queried whether there were any lessons to be learned from their experience. Those Councillors on the Committee who also sat on pension meetings gave an overview of the training they had recently received on the dangers of cyber-attacks, which had proven very useful. Councillor Gifford was confident that the Warwickshire Pension Fund was not complacent when it came to raising awareness in this area.

Councillor Ian Shenton reminded the meeting that the trainers were keen to impress that the likelihood of cyber-attacks would increase in the future.

Chris Norton explained that AON had delivered the training and the Annual Governance Statement included commentary around cyber risk. This was flagged as a high risk on the risk register and quite rightly given a lot of attention.

Resolved

That the Audit and Standards Committee considers and comments on the Audit Risk Assessment for 2023/24, attached at Appendix 1.

6. Audit & Standards Committee - Annual Report 2023/24

Members received a report providing an overview of the work considered by the Committee over the previous year 2023/24. The report also looked ahead to issues the Committee would examine moving forwards.

The Chair, John Bridgeman, highlighted the variety of work undertaken over the last year and noted that this report would be submitted to Council in July 2024.

Councillor Gifford was pleased that the Committee had acknowledged the importance of the SEND funding issue and the Chair thanked him for raising it as an agenda item earlier in the year.

Resolved

That the Audit and Standards Committee note and comment on the report prior to submission to Council in July 2024.

7. Work Programme and Future Meeting Dates

The Committee considered the work programme as set out in the agenda and noted that officers would continue to liaise to map out the timings of regular, standing reports throughout the year.

Resolved

That the work programme is noted.

8. Any Other Business

There was none.

9. Reports Containing Exempt or Confidential Information

It was resolved that members of the public be excluded from the remainder of the meeting as it would involve the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

10. Internal Audit Update

Members considered the exempt report and

Resolved

That the content of the report is noted.

11. Exempt Minutes of the 14 March 2024

The exempt minutes of the Audit and Standards Committee held on 14 March 2024 were agreed and signed by the Chair as a correct record.

The meeting rose at 11.11am

.....
Chair

Audit and Standards Committee

18 July 2024

Internal Audit Annual Report 2023-24

1. Recommendation

That the Audit and Standards Committee considers and comments upon the results of internal audit work completed during 2023/2024.

2. Executive Summary

- 2.1 This report summarises the results of internal audit work carried out in the year ended 31 March 2024 and provides an overall opinion of **Moderate Assurance** on the Authority's control environment.

3. Financial Implications

- 3.1 None.

4. Environmental Implications

- 4.1 None.

5. Supporting Information

- 5.1 Not applicable.

6. Timescales associated with the decision and next steps

- 6.1 Not applicable.

Appendices

1. Appendix 1 - Annual Report 2023-24

Background papers

1. None

	Name	Contact Information
Report Author	Paul Clarke, Internal Audit Manager	01926 412897 paulclarkere@warwickshire.gov.uk
Director	Purnima Kandula, Director of Finance	01926 742035 purnimakandula@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	01926 412045 robpowell@warwickshire.gov.uk
Portfolio Holder	Cllr Peter Butlin, Portfolio Holder for Finance & Property	01926 632679 peterbutlin@warwickshire.gov.uk

The report was circulated to the following members prior to publication: None this is a County wide report.

Internal Audit Annual Report 2023/24

“Providing assurance on the management of risks”



Internal Audit Annual Report 2023/24

“Providing assurance on the management of risks”

This document summarises the results of internal audit work during 2023/24 and as required by the Accounts and Audit Regulations 2015 gives an overall opinion of the Authority’s control environment.

Opinion

Based upon the results of work undertaken during the year my opinion is that the Authority’s control environment provides **Moderate assurance** that the significant risks facing the Authority are addressed.

Context

This report outlines the work undertaken by Internal Audit between 1 April 2023 and 31 March 2024.

Management is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements i.e. the control environment. Internal Audit plays a vital part in advising the organisation that these arrangements are in place and operating properly. On behalf of the Authority, Internal Audit review, appraise and report on the efficiency, effectiveness and economy of these arrangements.

Internal Audit is required by professional standards to deliver an annual internal audit opinion and report to those charged with governance timed to support the Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. The annual report must incorporate:

- the opinion;
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards.

The primary role of Internal Audit is to provide assurance to the organisation (chief executive, strategic directors and the Audit and Standards committee) and ultimately the taxpayers that the authority maintains an effective control environment that enables it to manage its significant business risks. The service helps the Council achieve its objectives and provides assurance that effective and efficient operations are maintained. The assurance work culminates in an annual opinion on the adequacy of the Authority’s control environment which feeds into the Annual Governance Statement.

Internal audit work during 2023/24

The underlying principle to the 2023/24 plan was risk and accordingly audits were focussed on areas that represented an identified risk through the established risk management processes, along with emerging risks identified through research and extensive consultation.

The methodology adopted in preparing the plan, and the plan itself, were approved by the Audit and Standards Committee on 23 March 2023

Since the original plan was approved a number of additional audits have proved necessary and some planned audits were no longer required. Variations to the plan during the year are inevitable if the plan is to adequately reflect changing circumstances and the changing organisation.

Summary of assurance work

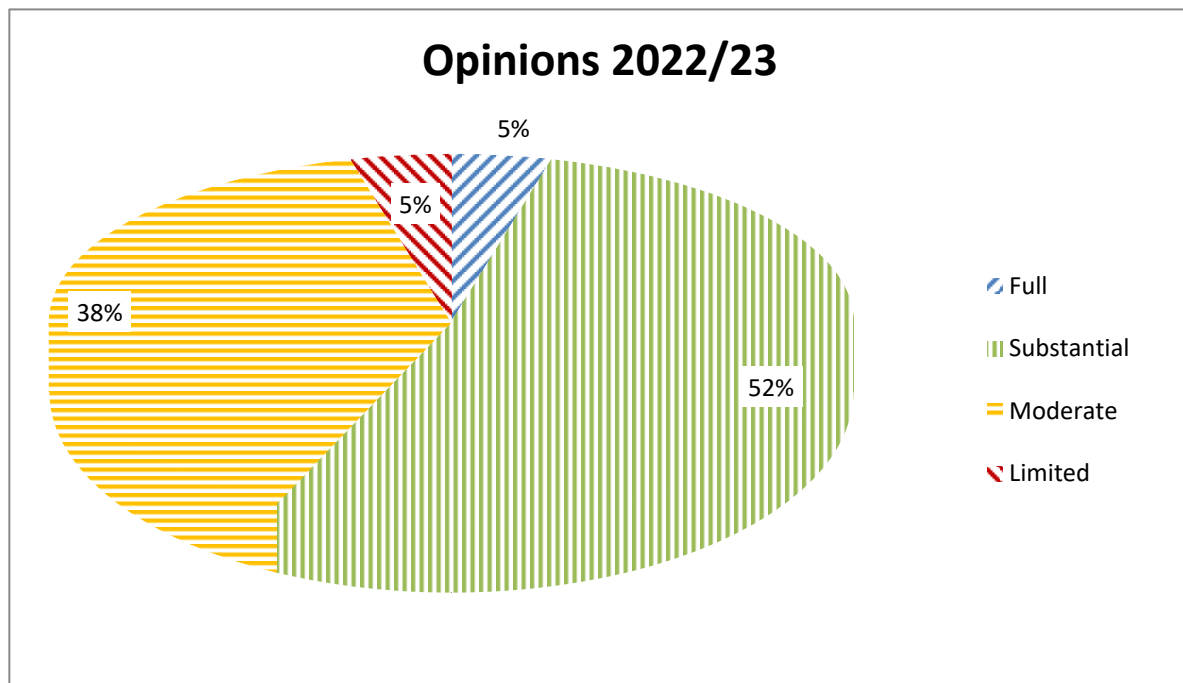
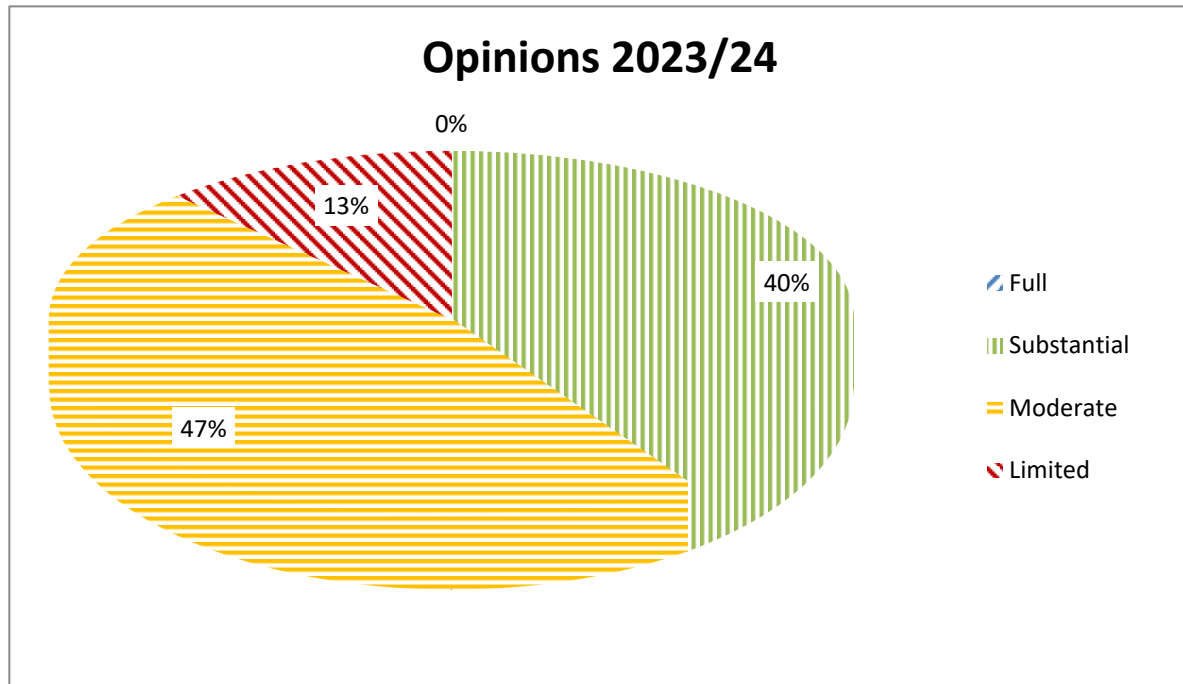
The key outcome of each audit is an overall opinion on the level of assurance provided by the controls within the area audited. Audits are given one of four levels depending on the strength of controls and the operation of those controls. The four categories ranging from the lowest to highest are Limited, Moderate, Substantial and Full. The opinion reflects both the design of the control environment and the operation of controls. The Audit and Standards Committee has received regular reports during the year summarising audits undertaken.

For 2023/24 the opinions were:

- Full Assurance (0 audits)
- Substantial Assurance (6 audits)
- Moderate Assurance (7 audits)
- Limited Assurance (3 audits)

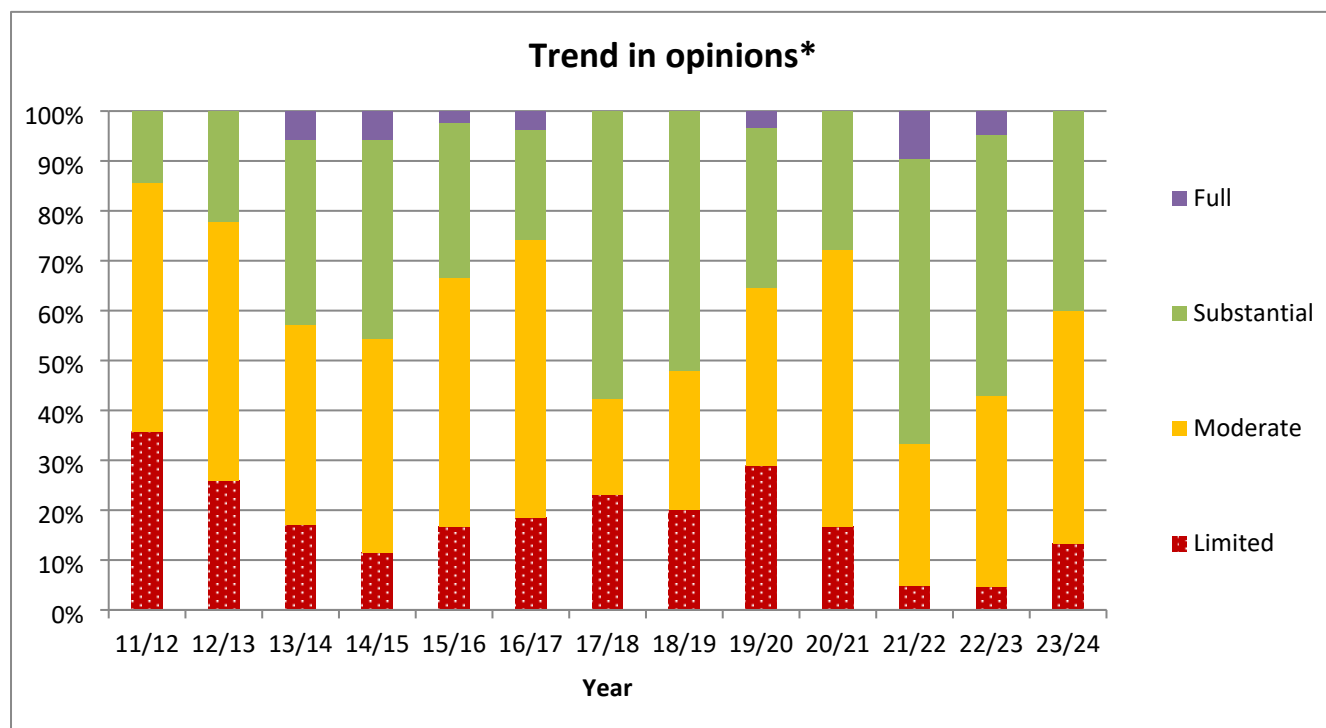
In the following chart, the individual school outcomes are amalgamated and shown as one Limited assurance for our schools work overall. The outcome of the majority of this year's audits (87%) are positive having a moderate, substantial or full opinion. The Limited assurance reports related to specific areas (they were reviews at schools and funding of Climate change actions) rather than representing an across-the-board breakdown in controls. The key issues arising from finalised limited opinion audits have been reported to the Audit & Standards Committee.

The comparative proportions are illustrated in the following pie chart:



A list of the assurance work finalised during the year is given in Appendix A. There are other audits nearing completion and the outcomes of these will be reported to the Audit and Standards Committee when they are issued as final.

The proportion of audits in each category is illustrated in the following chart which shows the year-on-year trend over the period from 2011/12 to 2023/24.



*note – to preserve comparability with earlier years, the individual school opinions have been aggregated as one Limited opinion

When comparing the ratings across years it should be noted that of course the audit plan includes different topics each year so caution is needed when interpreting this chart. Some “limited” opinions are to be expected each year especially as the audit planning processes and our limited resources means that increasingly only those areas with a high degree of change or risk are included in the plan. The increasing pressures and extent of change facing the Authority may also be a factor. In overall terms the picture is positive. The proportion of Limited opinions remains low, with a correspondingly high proportion of audits resulting in a positive opinion.

Recommendations are categorised according to the risks they are intended to mitigate. Categorising recommendations also assists managers in prioritising improvement actions. The current categories used, in increasing order of importance are: Merits Attention, Significant and Fundamental.

Follow up exercises have been undertaken to provide feedback on the extent to which agreed actions have been implemented to address identified weaknesses. There is an ongoing cycle of follow up work during the year and the results are reported to the Audit and Standards Committee.

Recommendations are followed up to ensure that they are implemented and where there is delay this is reported to the Corporate Board and the Audit and Standards

Committee. Those recommendations showing as “Outstanding” are therefore subject to scrutiny and the Audit and Standards Committee call in managers to explain delayed progress where appropriate.

Summary of non-assurance work

Advice

Internal audit is most efficient when its advice is utilised to ensure that appropriate controls are incorporated at an early stage in the planning of policy or systems development; to get control ‘right first time’. This preventative work reduces the issues that will be raised in future audits and contributes to a stronger control environment. During the year therefore the service continued to provide consultancy input into a number of topics. We provided advisory support on the following:

- Unit 4 (formerly Agresso) development
- Care Quality Commission inspection framework
- Schools in financial risk
- Finance system enhancements
- SEND budget forecasting

Whilst the advisory work does not lead to a specific assurance opinion, our involvement does allow a view to be taken on where there are strengths and weaknesses.

Special investigations

The size and complexity of the County Council means that some irregularities are inevitable and therefore, in addition to planned assurance work, a small number of special investigations were needed during the year and updates were reported to the Audit and Standards Committee during the year. During the year the growing pressures on cost of living increased the potential motivation for fraudulent activity to increase. This has been taken into account when planning awareness work and also a level of proactive work to deter and prevent fraud. During fraud awareness week in November 2023, work was completed to highlight to staff the risks and signs of fraud and the mechanism for reporting concerns.

The County Council participates in the biennial National Fraud Initiative. This is a national data analytics exercise which highlights fraud and error through comparing and analysing datasets from Government, Health, Local Government and the private sector. The results were returned to us for review and investigation in early 2023. Outcomes of significant investigations will be reported as they are completed. Where appropriate the Audit and Standards Committee considers reports on the circumstances of each case and the remedial action taken to address the control weaknesses identified. The control weaknesses identified by these issues are isolated

to the teams concerned and hence do not impact the Council's overall control environment.

Suspected frauds can be reported to our dedicated fraud hotline 01926 412052 or by email to tellusaboutfraud@warwickshire.gov.uk

Certification

Audit is required to certify a number of grant claims the main ones relating to the Priority Families Programme but also covering Capital grants, Broadband implementation and Covid payments. Certifications satisfactorily signed off included:

- Supplementary Substance Misuse Treatment & Recovery (SSMTR) Grant 2022-23
- Multiply Fund 2023 Q4 Year 2
- Contain Outbreak Management Fund (COMF)
- Children's Social Care - Household Support Grant 2023 (Quarterly)

The service also undertakes a small amount of work in relation to the certification of accounts for miscellaneous County Council related funds. These were all cleared satisfactorily.

Other Sources of Assurance

Whilst the key source of assurance which supports the annual opinion is the independent audits undertaken by the Internal Audit team, there are other sources of assurance which are helpful to provide support for the opinion on the council's Governance, Risk Management and Internal Control. For 2023/24 these have included the following:

- Warwickshire County Council Children's Services arrangements for care-experienced young people was subject to a Focused Visit reported in May 2023 (Ofsted). This found that "Since the last inspection in November 2021, when children's services were judged to be good overall, there has continued to be an effective focus on improving services for care-experienced young people by senior leaders, elected members, and partner agencies."
- HMICFRS – Warwickshire Fire and Rescue – Inspection report September 2023. This assessment of 11 areas of performance found 4 to be adequate and 7 requiring improvement.
- The risk management framework was subject to an internal review in 2023 and this was approved by Cabinet in January 2024. The strategic risk register was

refreshed and updated and service level risks have been managed through service risk registers.

- In November 2023 an Annual Governance Report was presented to the Audit and Standards Committee. This was an internal report giving an overview of governance arrangements and the work undertaken to maintain strong, up to date governance arrangements.

Effectiveness

This section of the report sets out information on the effectiveness of the service and focuses on compliance with the Public Sector Internal Auditing Standards (PSIAS) and customer feedback.

A full externally conducted quality assessment of the service was conducted during February 2023. External assessments are required every five years. The report of CIPFA assessor confirmed conformance to the standards and there were no areas of non-conformance, or partial conformance identified.



In accordance with best practice there is a rigorous internal review of all work undertaken by senior staff and the results feed into the staff appraisal process.

Following most audits a “post audit questionnaire” is issued to the relevant managers asking for their views on the conduct of the audit. The questionnaire includes a range of questions covering the audit approach, reporting format, etc. A key feature of the audit role is the need to sometimes be critical of existing or proposed arrangements. There is therefore an inherent tension that can make it difficult to interpret surveys.

“...the auditor managed to gather all the relevant data required and came to balanced outcomes and recommendations”

The post audit questionnaire responses returned continue to be good with the average score from all surveys returned during 2023/24 being 4.8 out of a maximum of five, (up from 4.71 in 2022/23) and a number of positive comments and compliments about the service provided have been received, including:

- “[The Auditor] was very approachable and easy to work with. they clearly explained the scope of the audit and we had a very productive conversation at the start of the process. The feedback meeting was also very helpful”
- “We had opportunity to discuss and talk through processes, questions etc and comment on matters so both the auditor and us had a clear understanding through the audit and in respect of the report which I believe is a fair and accurate representation.”

- "... what was required was asked for up front so the auditor could complete the work without a great deal of need for chasing at a very busy period."
- "The auditor was very approachable and flexible around the diaries of those he needed to interview. Everything was explained at each stage by the auditor and there was a definite feeling that the auditor was wanting to fully understand how we work and what we are required to do, to ensure the outcome was as accurate as possible. I think that this overall approach meant that the auditor managed to gather all the relevant data required and came to balanced outcomes and recommendations."

It is clearly important for any audit service to keep abreast of best professional practice. The internal audit service is fortunate in having strong links with colleagues both within the midlands and nationally and these have continued in 2023/24. The Service has a group membership to the Institute of Internal Auditors providing its staff with technical and professional support. The Internal Audit Manager is chairing the Midland Counties Internal Audit Group in 2024 and this group links with CIPFA to keep abreast of developments in the profession. At a regional level there are networking opportunities for auditors specialising in IT, fraud and police. As well as good opportunities for continuing professional development and sharing best practice these activities provide advance information on new developments which can be reflected in the audit plan.

The audit service has maintained adequate staffing levels including the recruitment of new staff during the year. The service uses a hybrid working model which is now well established with site visits being undertaken where required and the team has adapted quickly, enabling audits to be completed to the required standards.

The Authority can be confident that a good quality internal audit service continues to be provided.

As set out in the Audit Charter, the Service does not have any executive responsibilities and is independent of the activities that it audits. There were no impairments to independence during the year.

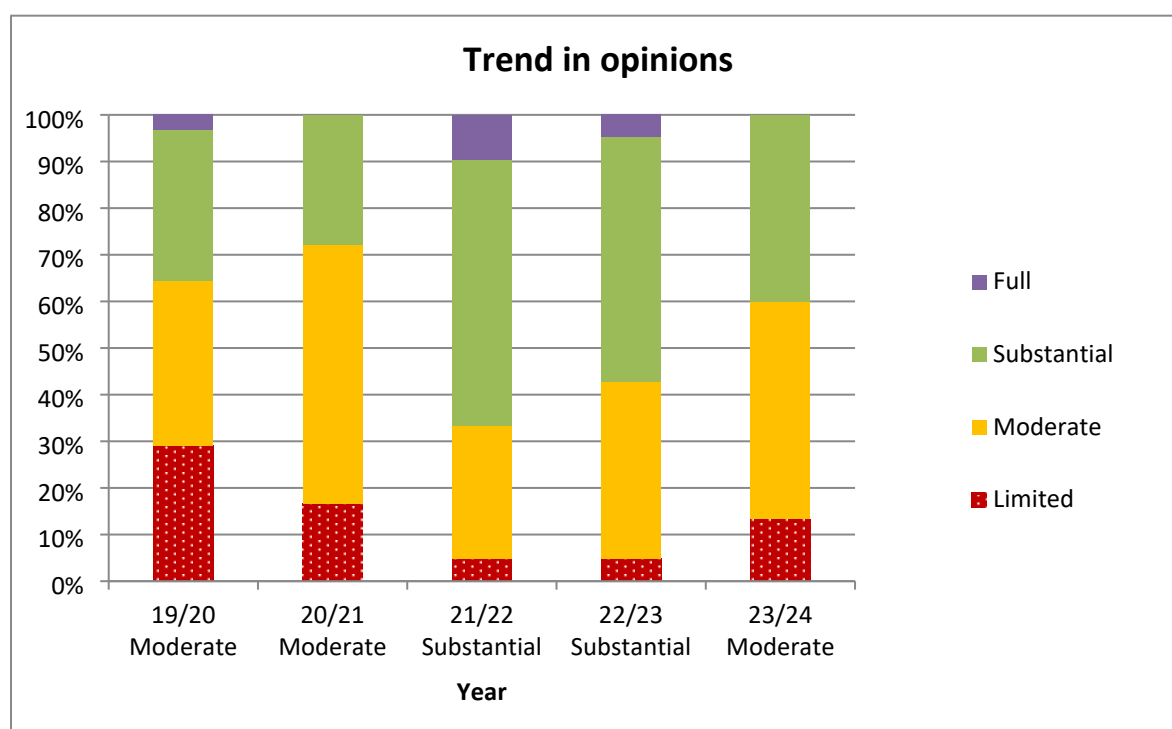
Opinion

It is the responsibility of the County Council to develop and maintain the internal control framework. In undertaking its work, Internal Audit has a responsibility under PSIAS to provide an annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (i.e. the control environment) and a summary of the audit work from which the opinion is derived.

No system of control can provide absolute assurance against material misstatement / loss or eliminate risk, nor can Internal Audit give that assurance. The work of internal audit is intended only to provide reasonable assurance on controls. In assessing the level of assurance to be given, I have taken into account:

- all audits completed during the year;
- follow-up action taken in respect of audits from previous periods;
- any fundamental recommendations not accepted by management and the consequent risks;
- anticipated outcome from audits currently in draft;
- the effect of non-assurance work undertaken during the year;
- the content of the Annual Governance Statement which states that there have been no significant governance failures during the year;
- the other sources of assurance;
- the progress on implementation of a revised risk management strategy;
- the effect of any significant changes in the Authority’s systems; and
- matters arising from previous reports to members.

Over the last four years the annual Head of Audit opinion has reflected the outcomes of audit work and taken account of other factors. In 2023/24 the proportion of Substantial assurance opinions has dropped below 50% as illustrated below and this makes a Moderate annual opinion appropriate:



As stated earlier, a Moderate opinion is still a positive outcome, and the number of Limited opinions is low. My overall opinion also takes account of the higher risk environment in terms of financial sustainability. The county council remains financially strong, but the level of resilience is lower than in previous years. The council is acutely aware of this and the draft Annual Governance statement highlights the challenge. The council has set a balanced budget and medium-term financial strategy, but the ability to manage large variations is smaller than in the past.

Some significant issues have arisen during the year, but action plans have been agreed with the relevant managers to address the weaknesses identified. Where weaknesses have been identified, they have tended to relate to specific parts of the organisation rather than an across the board breakdown in controls. Those audits involving major control weaknesses are in the minority and in general terms, controls

are sufficient to prevent or detect serious breakdowns in systems and procedures. However, it is clearly important that issues identified during the year are addressed.

I am satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's governance, control and risk processes. Despite operating in a difficult environment with high levels of inherent risk, it is good to be able to report that overall, those risks are well managed.

Based upon the results of work undertaken during the year my opinion is that the Authority's governance, control and risk management provides **Moderate assurance** that the significant risks facing the Authority are addressed.

Paul Clarke
Internal Audit Manager
(Head of Audit)

Summary of audits completed during the year.¹

Assurance Audits		Level of Assurance
Communities		
	Traveller site infrastructure	Moderate Assurance
	Climate Change	Limited Assurance
	Business Centres	Moderate Assurance
Social Care and Health		
	Adult Social Care management information	Moderate Assurance
Children and Young People		
	School Admissions	Moderate Assurance
	Dunnington Primary School	Limited
	Binley Woods Primary School	Limited
Resources		
	Anti Money Laundering (AML) and ethics	Substantial Assurance
	Workforce Planning	Substantial Assurance
	Cyber security	Moderate Assurance
	Data Ownership	Moderate Assurance
	Website and Intranet	Substantial Assurance
	Financial Assessments - Benefits Assessment & Income Control (BAIC)	Substantial Assurance
	Registration Service	Substantial Assurance
	Insurance	Substantial Assurance
	Pension fund management	Moderate Assurance

Certification Audits		Outcome
1.	Priority families (4 claims)	Certified
2.	Local Authority Bus Subsidy (Revenue) Grant: Determination 2022/23	Certified
3.	COMF Monitoring Returns Q3 - Warwickshire	Certified
4.	Multiply Fund 2023 Q4 Year2	Certified
5.	Children's Social Care – Household Support Grant	Certified

¹ Note that some of these audits started in 2022/23

**Audit and Standards Committee
Work Programme 2024/2025**

Item	Details	Lead Officer	Date of meeting
18 July 2024			
Internal Audit Annual Report 2023/24 (public)		Paul Clarke	18 July 2024
Internal Audit Update Report (exempt)	A report on the outcome of Internal Audit work to date in 2024/25	Paul Clarke	18 July 2024
19 September 2024			
Strategic Risk Management	A report highlighting the Strategic Risks and processes.	Liz Morris, Chris Norton	19 September 2024
External Auditors Update Report	An update from the external auditors on progress to date to the work with WCC and WPF accounts (standing item to be used if necessary)	Grant Thornton	19 September 2024
Internal Audit Update Report (exempt)	A report on the outcome of Internal Audit work to date in 2024/25	Paul Clarke	19 September 2024
28 November 2024			
2023/24 Audit Findings Report – WCC Accounts		Grant Thornton	28 November 2024
2023/24 Audit Findings Report – Warwickshire Pension Fund		Grant Thornton	28 November 2024

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2023/24 Draft Statement of Accounts – WCC Accounts		Grant Thornton	28 November 2024
2023/24 Draft Statement of Accounts- Warwickshire Pension Fund		Grant Thornton	28 November 2024
External Auditors Update Report	An update from the external auditors on progress to date to the work with WCC and WPF accounts (standing item to be used if necessary)	Grant Thornton	28 November 2024
Draft Annual Audit Letter – 2023/24	Annual audit letter which summarises the work and findings in relation to 23/24 including their Value for Money report on the Council.	Grant Thornton	28 November 2024 Full Council - TBC
Internal Audit Update Report (exempt)	A report on the outcome of Internal Audit work to date in 2024/25	Paul Clarke	
20 March 2025			
CIPFA Financial Management Code – Warwickshire County Council Self-Assessment 2024/25	Annual self-assessment of the Council’s performance against the CIPFA Financial Management Code, including delivery of the improvement activity identified as part of the 2024/25 assessment	Andrew Harper	20 March 2025
External Auditors Report - WCC Financial Year 24/25 Audit Plan	A report presenting the External auditors plan for the review of WCC accounts 24/25	WCC – Andrew Harper Grant Thornton	
External Audit Plan for Warwickshire Pension Fund 24/25 Accounts	A report presenting the audit plan from Grant Thornton, external auditors for the Warwickshire		

**Audit and Standards Committee
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	Pension fund for the review of the 24/25accounts.		
External Auditors Update Report	An update from the external auditors on progress to date to the work with WCC and WPF accounts (standing item to be used if necessary)	Grant Thornton	19 September 2024
Internal Audit Plan 2024/25	Internal audit plan and strategy for 25/26	Paul Clarke	
Internal Audit Update Report (exempt)	A report on the outcome of Internal Audit work to date in 2024/25	Paul Clarke	

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