

OPEN

Audit and Governance Committee

28 July 2025

Chief Audit Executive Opinion 2024-25

Report of: Josie Griffiths, Head of Audit Risk and Assurance

Report Reference No: AG/11/25-26

Ward(s) Affected: All

Purpose of Report

- 1 To provide the Audit and Governance Committee with details of the work undertaken by Internal Audit during 2024/25 and how this contributes to the annual opinion on the Council's control environment.
- 2 The Committee's responsibilities include receiving the annual report from the Head of Audit Risk and Assurance as the Council's Chief Audit Executive. The annual report should set out the internal activity during the year, the opinion on the level of assurances to the overall adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control together with the summary of the work supporting the opinion, which will assist the Committee in reviewing the AGS.

Executive Summary

- 3 This report provides the Audit and Governance Committee with the Internal Audit annual opinion on the overall adequacy and effectiveness of the Council's control environment for 2024/25.
- 4 All principal local authorities subject to the Accounts and Audit Regulations 2015 must make provision for internal audit in accordance with the proper practices. The Chief Audit Executive provides a written report to those charged with governance, the primary purpose of which is to provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control i.e. the control environment. This is provided at Appendix A.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Note and consider the contents of the Internal Audit Annual Opinion Report 2023/24 (Appendix A); and
2. Note the Internal Audit opinion on the Council's framework of risk management, governance, and internal control for 2024/25 as "Limited".

Background

- 5 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital part in advising the Council, via the Audit and Governance Committee, that these arrangements are in place and operating properly. The annual internal audit opinion informs the Annual Governance Statement. The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the Council's objectives.
- 6 It should be noted that Internal Audit's risk-based approach includes focussing on areas where issues are known or expected to exist. Clearly this approach adds value to the organisation, but, by its nature, may also result in lower overall assurance levels.
- 7 A report summarising the work undertaken, the issues identified, and the actions required is produced for each review undertaken. The process of reviewing the report from draft to final ensures that the findings are confirmed to be factually accurate, and that the management actions will result in improvements to the control environment. Draft reports are agreed with the appropriate managers, and the Final reports are shared with the relevant Executive Director. The implementation of agreed actions is monitored through the follow up process, and performance in this area is reported regularly to the Corporate Leadership Team and the Audit and Governance Committee.

Consultation and Engagement

- 8 The Internal Audit Annual Opinion Report 2024/25 has been considered by Corporate Leadership Team (CLT) and the Risk and Assurance Board.

Reasons for Recommendations

- 9 Public Sector Internal Audit Standards (PSIAS) requires that the Head of Internal Audit (Chief Audit Executive) "must deliver an annual internal

audit opinion and report that can be used by the organisation to inform its governance statement” and in doing so must report its conformance, or otherwise, with the PSIAS. Consideration of the annual report and opinion is included within this Committee’s terms of reference

10 Other Options Considered

11 No other options are available.

Option	Impact	Risk
Do nothing	Failure to consider the effectiveness of the Council’s system of internal audit, and the Internal Audit opinion on the Council’s control environment.	This could result in non-compliance with the requirements of the Accounts and Audit Regulations 2015 and a failure to meet the terms of reference of the Committee.

Implications and Comments

Monitoring Officer/Legal/Governance

12 Section 151 of the Local Government Act 1972 requires Councils to make arrangements for the proper administration of their financial affairs and the Accounts and Audit Regulations 2015 establishes a specific responsibility for the Council to conduct a review at least once a year of the effectiveness of its system of internal control.

Section 151 Officer/Finance

13 The Internal Audit team was appropriately resourced to comply with statutory and best practice requirements and deliver the 24/25 opinion. Resourcing of the Internal Audit team is regularly monitored and reported upon to the CLT and the Audit and Governance Committee; review of resources in the context of supporting the organisation through this period of additional change and improvement is ongoing.

Human Resources

There are no direct implications for Human Resources.

Risk Management

14 Failure to consider the effectiveness of the Council’s system of internal audit, and the Internal Audit opinion on the Council’s control environment,

could result in non-compliance with the requirements of the Accounts and Audit Regulations 2015.

Impact on other Committees

15 There are no impacts on other Committees.

Policy

16 There are no direct policy implications. The delivery of the internal audit opinion, and the implementation of the actions identified through the work of the internal audit support the improvement of the Council's internal control environment, and in turn should support the delivery of all the Council's commitments.

Commitment 1: Unlocking prosperity for all	Commitment 2: Improving health and wellbeing	Commitment 3: An effective and enabling council
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Equality, Diversity, and Inclusion

17 There are no direct implications for Equality and Diversity

Other Implications

18 There are no direct implications relating to Rural Communities, Children and young people, Public Health, or Climate Change.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy):</i>			
Ashley Hughes	S151 Officer	17/07/25	18/07/25
Janet Witkowski	Acting Monitoring Officer	16/07/25	17/07/25

Access to Information	
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Appendices:	Appendix A – Chief Audit Executive Annual Opinion Report 2024/25
Background Papers:	<p>Progress against Internal Audit Plan 2024/25 report to 29 May 2025 Audit and Governance Committee</p> <p>Progress against Internal Audit Plan 2024/25 report to 24 February 2025 Audit and Governance Committee</p>