

Appendix A



Newark and Sherwood District Council

Internal Audit Annual Report and Head of Internal Audit Opinion

June 2025

Revised Draft

# Executive Summary

## Introduction

This is the 2024/25 Annual Report by TIAA on the internal control environment at Newark and Sherwood District Council. The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control.

Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).' 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model. Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards.

TIAA adopted the IIA Global Internal Audit Standards in January 2025 and performance against the standards will be reported in future reports.

### HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

**TIAA is satisfied that, for the areas reviewed during the year, Newark and Sherwood District Council has reasonable and effective risk management, control and governance processes in place.**

**This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Newark and Sherwood District Council from its various sources of assurance.**

## Internal Audit Planned Coverage and Output

The 2024/25 Annual Audit Plan approved by the Audit Committee was for 245 days of internal audit coverage in the year. During the year there were no changes to the Audit Plan and these changes were approved by the Audit and Governance Committee. The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A. No extra work was carried out which was in addition to that set out in the Annual Audit Plan.

## Assurance

TIAA carried out thirteen reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Newark and Sherwood District Council objectives. Three of these were advisory reviews. In addition, two reviews are awaiting issue of the draft reports.

For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	4	1
Reasonable Assurance	4	10
Limited Assurance	2	0
No Assurance	0	0
Advisory	3	2

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their

effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2024/25. The numbers in brackets relate to 2023/24 recommendations.

Urgent	Important	Routine
2 (1)	16 (11)	19 (28)

Audit Summary

**Control weaknesses:** There were two areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance.' Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

**Recommendations Made:** We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed			
Governance Framework	1	7	5
Risk Mitigation	0	0	5
Compliance	1	5	7
Delivery			
Performance Monitoring	0	4	2
Sustainability	0	0	0
Resilience	0	0	0

**Operational Effectiveness Opportunities:** One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
6

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	84%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	67%
Compliance with IIA Internal Audit Standards	100%	100%

Release of Report

The table below sets out the history of this Annual Report.

Date Report issued:	20 <sup>th</sup> May 2025
Date Revised Draft Issued:	12 <sup>th</sup> June 2025

## Actual against planned Internal Audit Work 2024/25

System	Type	Assurance Assessment	Comments
Business Continuity	Complete	Limited Assurance	
Procurement	Complete	Reasonable Assurance	
Budgetary Control	Complete	Substantial Assurance	
Financial Resilience	Complete	Substantial Assurance	
Apprenticeship and Talent Spotting	Complete	Reasonable Assurance	
Agile Working	Complete	Reasonable Assurance	
Housing Regulatory Compliance and Building Safety	Complete	Reasonable Assurance	
Performance Management	Complete	Substantial Assurance	
Risk Management Framework	Complete	Substantial Assurance	
Mansfield Crematorium	Complete	Advisory Review	
Gilstrap Financial	Complete	Advisory Review	
<i>Grounds Maintenance and Cleansing Service</i>	Fieldwork Completed		Awaiting Issuance
Equality Diversity and Inclusivity	Complete	Limited Assurance	
24/25 ICT-Cyber Security Maturity Assessment	Complete	Advisory Review	
Follow-up	complete	N/A	
Annual Planning	complete	N/A	
Annual Report	Draft	N/A	
Audit Management	N/A	N/A	

# Head of Internal Audit Opinion (HoIA) on the Effectiveness of the System of Internal Control for the Year Ended 31 March 2025

Annex B

The purpose of my annual HoIA Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. This Opinion will in turn assist the Board in the completion of its Annual Governance Statement (AGS).

My opinion is set out as follows:

1. Overall opinion;
  2. Basis for the opinion;
  3. Matters that have had an impact on the opinion; and
  4. Commentary.
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1. My overall opinion is that **Reasonable** assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk.
  2. The basis for forming my opinion is as follows:
    - i. An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and
    - ii. An assessment of the range of individual opinions arising from risk-based audit assignments, contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.

Additional areas of work that may support the opinion will be determined locally but are not required e.g. any reliance that is being placed upon Third Party Assurances.

3. There are no matters to bring to your attention which have had an impact on the Head of Internal Audit Opinion
4. Commentary – see Annex A for a summary of completed internal audit work.