

AUDIT COMMITTEE	AGENDA ITEM No. 5
1 JUNE 2009	PUBLIC REPORT

Committee Member responsible:	Councillor M Dalton, Chair of Audit Committee	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	☎ 384 557

INTERNAL AUDIT ANNUAL REPORT 2008 / 2009

R E C O M M E N D A T I O N S	
FROM : John Harrison, Executive Director (Strategic Resources)	Deadline date : N/A
Audit Committee is asked to	
<ol style="list-style-type: none"> 1. Receive and consider the attached Chief Internal Auditor's annual report for the year ended 31 March 2009; and 2. Note the report of Internal Audit's performance. 	

1. **ORIGIN OF REPORT**

This report provides details of the performance of Internal Audit during 2008 / 2009 and the areas of work undertaken, together with an opinion on the soundness of the control environment in place to minimise risk to the Council.

2. **PURPOSE AND REASON FOR REPORT**

- 2.1 The Terms of Reference for the Audit Committee (agreed at Full Council) set out the key roles of the Committee including the following "2.2.2 *To consider the Director of Strategic Resources annual audit report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements*".
- 2.2 The report provides an overall opinion on the soundness of the control environment in place to minimise risk to the Council. It is based on the findings of completed internal audits.

3. **INTERNAL AUDIT OPINION**

- 3.1.1 The Internal Audit Opinion is based on review work undertaken during the period April 2008 to March 2009.
- 3.1.2 Summaries of work carried out by Internal Audit are documented within the opinion, and, overall it is considered that Internal Audit can place **SIGNIFICANT ASSURANCE** on the controls environment. As a result an unqualified opinion is provided. Where systems have fallen below expected standards, details of these have been documented separately within the report. Furthermore, ongoing internal performance indicators are monitored and their level of achievement, or otherwise, are included for information purposes.

4. **CONSULTATION**

Summary committee reports are produced and discussed on a quarterly basis with Corporate Management Team, external auditors and finally Audit Committee for information and challenge. All audit reports are issued on a monthly basis to the appropriate Head(s) of Service for action, Executive Directors, Chief Executive, Leader of the Council and the Chair of Audit Committee.

5. **ANTICIPATED OUTCOMES**

That the Audit Committee is informed of the Internal Audit Opinion and the work carried out by Internal Audit to support this.

6. **REASONS FOR RECOMMENDATIONS**

In accordance with the Accounts and Audit Regulations (amendment 2006) and the CIPFA Code of Practice for Internal Audit in Local Government 2006, this report summarises the work of the Internal Audit section and its outcomes in their review of internal control for the last financial year. This should be incorporated with the results of other reviews (such as those by External Audit and the various inspectorates as well as the outcome from the Comprehensive Performance Assessment process) to produce the required Annual Governance Statement, which should be signed by the Chief Executive and Leader of the Council and published with the annual Statement of Accounts.

7. **ALTERNATIVE OPTIONS CONSIDERED**

No other options appropriate.

8. **IMPLICATIONS**

None.

9. **BACKGROUND DOCUMENTS**

(Used to prepare this report in accordance with the Local Government (Access to Information) Act 1985)

Accounts and Audit Regulations 2006.

CIPFA Code of Practice for Internal Audit in Local Government 2006