

COMMITTEE: AUDIT AND GOVERNANCE

DATE: 25 JUNE 2008

SUBJECT: INTERNAL AUDIT ANNUAL REPORT 2007/8

REPORT BY: HEAD OF AUDIT

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IMPLICATIONS:

LEGAL ☐

COMMUNITY ☐

SAFETY

EQUALITIES ☐

ENVIRONMENT ☐

FINANCIAL ☐

RISKS ☒

STAFFING ☐

OTHER

WARDS AFFECTED: NONE

PURPOSE

- 1 To provide an opportunity for the Audit and Governance Committee to consider the Internal Audit Annual Report for 2007/08.

RECOMMENDATION

- 2 **The Committee is asked to receive the Internal Audit Annual Report for the financial year 2007/08.**

BACKGROUND

- 3 The Council has a statutory responsibility under the Accounts and Audit Regulations 2003 to maintain an effective internal audit of its activities. Internal audit is an important element of the Council's risk management arrangements, in terms of the work that it undertakes in evaluating and reporting upon the control environment across the Council. The aim of the Internal Audit Service Annual Report is to provide an overview of the work undertaken by the Service in the financial year 2006/07. It also illustrates the degree of assurance that the Audit and Governance Committee can take on the control environment for the financial year ended 31st March 2008.
- 4 The Accounts and Audit Regulations 2003 also require that the Council shall be responsible for ensuring the financial management of the Council is adequate and effective and that the Council has sound systems of internal control that facilitate the effective exercise of the Council's functions. The

Council has a duty under these Regulations to produce a Statement Of Internal Control and to provide an action plan to mitigate the risks which are not covered by the systems of internal control.

REPORT

- 5 The Annual Internal Audit Report for 2007/8 is attached as Appendix A. The main item to note is that this records an adequate level of control assurance.

RISK IMPLICATIONS

- 6 The whole essence of the Annual Internal Audit Report is concerned with risk and control. If the matters recorded are not addressed there is a risk to the Council of financial loss through error, inefficiency or irregularity.

FINANCIAL IMPLICATIONS

- 7 There are no financial implications to this report other than those set out in the body of the report. This has been agreed with the Head of Corporate Finance on 4 June 2008.

LEGAL IMPLICATIONS

- 8 There are no direct legal implications to this report save for those set out in the body of the report. This has been agreed with Richard Stevens, Head of Legal Services on 4 June 2008.

APPENDIX

- 9 Attached as an Appendix to this report is a copy of the Internal Audit Annual Report for the financial year 2007/8.

LIST OF BACKGROUND PAPERS

LOCAL GOVERNMENT ACT 1972, SECTION 100D

- (a) The Accounts and Audit Regulations 2003 .
- (b) The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006.