

REPORT FOR DECISION

Agenda Item	
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MEETING: AUDIT COMMITTEE
DATE: 29 JULY 2004
SUBJECT: INTERNAL AUDIT ANNUAL REPORT 2003/04
REPORT FROM: DIRECTOR OF FINANCE AND E-GOVERNMENT
CONTACT OFFICER: JIM BUTTERWORTH

TYPE OF DECISION: Non key.

REPORT STATUS: For publication.

PURPOSE/SUMMARY: This report summarises the work undertaken by the Section in the previous financial year (2003/04) compared to the Audit Plan for the year. It contains an "Audit Opinion" which assesses the authority's control framework, finding it to be "sound". Members are also updated on some of the issues facing the Internal Audit service in the current year.

OPTIONS AND RECOMMENDED OPTION:

Members can accept or reject the conclusions reached in the report, or can ask for it to be revised.

Based on the evidence provided Members are recommended to accept the report, and to endorse its suitability in support of the Statement on Internal Control.

IMPLICATIONS -

Financial Implications and Risk Considerations

See Statement by Director of Finance and E-Government.

Corporate Aims/Policy Framework: Do the proposals accord with the Policy Framework?

Yes

Are there any legal implications?

Yes (see Appendix 1 paragraphs 2.1, 4.1 and 7.2)

Considered by Monitoring Officer:

Yes The Internal Audit Annual Report complies with statutory requirements.

Statement by Director of Finance And E-Government:

There are no direct financial implications arising from the report.

The work of the Internal Audit section is an essential element of the framework by which I discharge my obligations under s151 of the Local Government Act 1972. The opinion given by the Head of Audit and Risk Management on the control framework provides assurance that key controls are operating to an acceptable standard.

The Annual Report and Opinion, at Para 6.2 reminds Members of the nature of testing – it covers a proportion of Council activities at a particular point in time. There is, therefore, a risk that weaknesses in control may have developed that have not yet been identified.

Staffing/ICT/Property:

There are no direct resource implications arising from the report.

Wards Affected:

The work of Internal Audit impacts on all of the Council's wards and Area Boards.

Scrutiny Interest:

None.

TRACKING/PROCESS

DIRECTOR:

Chief Executive/ Management Board	Executive Member/ Chair	Ward Members	Partners
Scrutiny Panel	Executive	Committee	Council
		Audit Sub	

1.0 BACKGROUND

1.1 Members of the Audit Sub Committee are actively involved in overseeing Internal Audit work, approving the annual plan, scrutinising reports, and monitoring progress. The Annual Report was introduced by the Head of Audit in 1999 and is now a regular feature, providing an opportunity to recap the performance of Audit over the whole (completed) year, and to take stock.

2.0 ISSUES

- 2.1 The Annual Report (attached) examines the overall position with regard to systems and controls, having regard to the risks involved.
- 2.2 It is intended that the report will form part of the assurance Members are now required to seek under the provisions of the Accounts and Audit Regulations 2003. They will draw upon assurances gathered from various sources in order to fulfil the Council's obligation to issue a Statement on Internal Control.

3.0 CONCLUSION

- 3.1 The report concludes that the planned work for 2003/04 was completed to a satisfactory degree, and to an acceptable standard.
- 3.2 The report also concludes that the authority's control framework is sound, and highlights the risks involved.

List of Background Papers:-

Internal Audit Annual Plan 2003/04

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