

AUDIT & RISK COMMITTEE

11 June 2012

ANNUAL REPORT OF INTERNAL AUDIT 2012/13

Report of the Head of Welland Internal Audit Consortium

STRATEGIC AIM	All
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1. PURPOSE OF THE REPORT

- 1.1 The Accounts and Audit Regulations require the production of an Annual Report of Internal Audit containing the Internal Audit Opinion on the effectiveness of the Council's internal control arrangements: that Opinion forms part of the Council's Annual Governance Statement. The Regulations require the Council to carry out an annual review of the effectiveness of internal audit.

2. RECOMMENDATIONS

- 2.1 **That the Annual Report of Internal Audit and the Internal Audit Opinion that it supports be approved.**

3. INTERNAL AUDIT OPINION

- 3.1 It is the Opinion of the Head of the Welland Internal Audit Consortium, in his role as the Council's Head of Internal Audit, that for 2012/13 the Council's overall internal control arrangements provide a Sound Level of Assurance. The basis for that Opinion is set out in the Annual Report of Internal Audit shown at Appendix A.

4. EFFECTIVENESS OF INTERNAL AUDIT

- 4.1 The requirement for a review of the effectiveness of internal audit was met by a self-assessment of the Consortium's compliance with the CIPFA Code of Practice for Internal Audit. The results of that review are detailed in the appended Annual Report of Internal Audit.

4.2 The self-assessment demonstrated that previously declared staffing issues have made it impossible for the Consortium to comply fully with the five of the 11 relevant criteria set out in the CIPFA Code. It also identified a requirement to develop the capacity of the Audit & Risk Committee itself, to improve engagement with senior management in the audit planning processes and to improve the way in which systems evaluation is carried out in order to achieve full compliance with a further three criteria.

5. RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	Low	The report does not prompt or require any time-bound response – beyond approval of recommendation set out above
Viability	Low	There is no direct impact on future resourcing issues
Finance	Low	There is no direct impact on future finance issues
Profile	Low	There is no evidence of public interest in the routine work of internal audit.
Equality and Diversity	Low	EIA screening indicates no issues arising therefore full Impact Assessment has not been carried out.

Background Papers
None

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A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.