

## GOVERNANCE COMMITTEE

24<sup>th</sup> JUNE 2013

### REPORT OF HEAD OF CONSORTIUM

#### ANNUAL REPORT OF INTERNAL AUDIT FOR 2012/13

##### 1.0 PURPOSE OF REPORT

- 1.1 To satisfy the Accounts and Audit Regulations by providing Members with the opportunity to consider a report from the Head of the Council's Internal Audit function on the performance of Internal Audit during the year and the "Internal Audit Opinion" on the Council's system of internal control and its arrangements for risk management and governance.

##### 2.0 RECOMMENDATIONS

- 2.1 **That Members note the Annual Report of Internal Audit for 2012/13 and the Internal Audit Opinion that it supports.**

##### 3.0 KEY ISSUES

- 3.1 The Internal Audit Opinion is that the Council's internal control arrangements continue to provide a Sound Level of Assurance. This represents the second highest of the five levels of assurance within the model adopted by the Consortium and indicates a satisfactory management of risk. The basis for that Opinion is set out in the Annual Report of Internal Audit shown at Appendix A.
- 3.2 The Accounts and Audit Regulations require that the effectiveness of Internal Audit is reviewed annually. This was done by a self-assessment against the CIPFA Code of Practice for Internal Audit. The self-assessment demonstrated that previously declared staffing issues have made it impossible for the Consortium to comply fully with five of the 11 relevant criteria set out in the CIPFA Code. It also identified a requirement to develop the capacity of the Governance Committee itself and to improve the way in which systems evaluation is carried out in order to achieve full compliance with a further two criteria.

##### 4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 The report provides some confirmation that the Council's corporate governance arrangements relating to internal control were appropriate and effective in 2012/13

##### 5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 There are no financial implications arising directly from this report.

##### 6.0 LEGAL IMPLICATIONS/POWERS

- 6.1 There are no legal implications directly arising from this report.

##### 7.0 COMMUNITY SAFETY

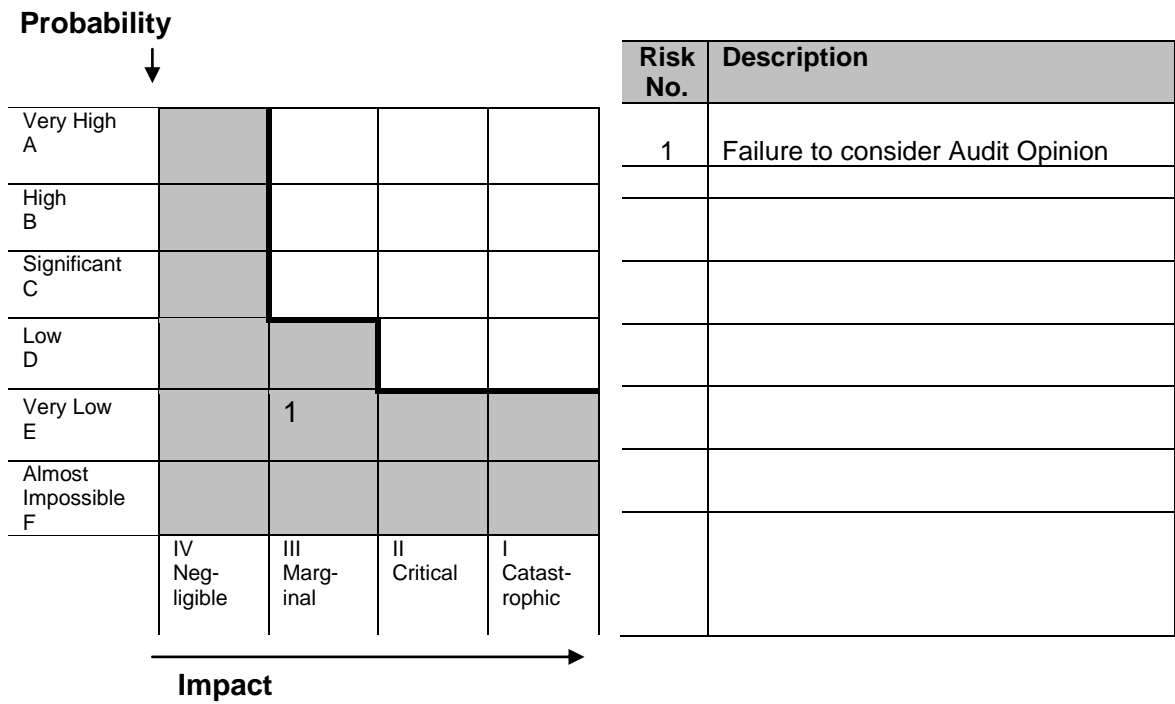
- 7.1 There are no community safety issues directly arising from this report.

**8.0 EQUALITIES**

8.1 There are no equalities issues directly arising from this report.

**9.0 RISKS**

9.1 Failure to consider the Internal Audit Opinion would compromise the Council’s overall Governance Arrangements.



**10.0 CLIMATE CHANGE**

10.1 There are no climate change issues directly arising from this report.

**11.0 CONSULTATION**

11.1 N/A

**12.0 WARDS AFFECTED**

12.1 All wards are indirectly affected.

Contact Officer: Richard Gaughran  
Date: 04/06/13

Appendices: 1

Background Papers: N/A

Reference: