

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

28 JUNE 2007

REPORT OF THE DIRECTOR OF FINANCE

INTERNAL AUDIT ANNUAL REPORT

1 EXECUTIVE SUMMARY

- 1.1 The Internal Audit Section of the Finance Department plans and completes audits to review all relevant areas of risk.
- 1.2 Reports, including recommendations produced following audits are presented to managers. An overall report is produced annually.
- 1.3 This report presents the Annual Audit Report for 2006/07.

2. BACKGROUND

- 2.1 The Accounts and Audit Regulations 2003 require that a Local Authority "shall maintain an adequate and effective system of internal audit".
- 2.2 In order to meet the statutory requirements the Internal Audit Section has conducted audits to review the operation of the internal control systems. The work has been conducted in accordance with professional standards set by the Audit Practices Board, CIPFA and the Institute of Internal Auditors.
- 2.3 The Audit Commission has reviewed the operation of Internal Audit and indicated satisfaction with the service and concluded that there are no major issues to be reported

3. ANNUAL INTERNAL AUDIT REPORT 2006/07

- 3.1 The Internal Audit Annual Report attached at Appendix 1 specifies the Internal Audit opinion on key areas of Council activity in 2006/07.

3.2 The audits conducted during the year were principally planned to review the financial control systems in compliance with the requirements of the Accounts and Audit Regulations 2003. However significant attention was paid to the following areas:

Performance Management,
Comprehensive Performance Assessment,
Local Public Service Agreements,
Corporate Governance,
Risk Management,
Financial Management Standards In Schools,
Service Delivery

3.3 The Audit Plan was compiled on a risk assessment basis that included consideration of the sensitivity and complexity of all risks identified. Client requests, systems being developed and the availability of resources were also other factors also taken into account during the year (Appendix 1A).

3.4 The Internal Audit Plan for 2007/08 was approved by this Committee on 29 March 2007 (Appendix 1B).

4 FINANCIAL AND STAFFING IMPLICATIONS

4.1 There are no financial and staffing implications.

5. LOCAL MEMBER SUPPORT IMPLICATIONS

5.1 There are no local Member support implications.

6. LOCAL AGENDA 21 STATEMENT

6.1 There are no Local Agenda 21 implications.

7. PLANNING IMPLICATIONS

7.1 There are no planning implications.

8. EQUAL OPPORTUNITY IMPLICATIONS

8.1 There are no equal opportunity implications.

9. COMMUNITY SAFETY IMPLICATIONS

9.1 There are no community safety implications.

10 **HUMAN RIGHTS IMPLICATIONS**

10.1. There are no human rights implications.

11. **BACKGROUND PAPERS**

11.1 Code of Practice for Internal Audit in Local Government: CIPFA - January 2007

11.2 An Inside Job: Audit Commission – March 2000.

12. **RECOMMENDATION**

12.1 That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/133/07