

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

17 JANUARY 2011

REPORT OF THE CHIEF INTERNAL AUDITOR

AUDIT COMMITTEE – ANNUAL REPORT

1. EXECUTIVE SUMMARY

- 1.1. The meeting of this Committee on 22 November 2010 considered a statement by the Chair regarding the requirement to complete an annual report to Cabinet on the work undertaken by the Audit and Risk Management Committee to comply with best practice identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.
- 1.2. Attached at Appendix A is the aforementioned Draft Annual Report to be completed on behalf of the Chair of this Committee for consideration.

2. BACKGROUND

- 2.1. The Department for Communities and Local Government (DCLG) issued amended regulations in 2006, to the 2003 Accounts and Audit Regulations – 'The Accounts and Audit (Amendment) (England) Regulations 2006'.
- 2.2. One of the amended regulations impacts on the process for preparing the Statement of Internal Control (SIC) which is subsumed within the Annual Governance Statement (AGS) and relates specifically to the the systems of internal audit in operation. This is:-
 - Regulation 6 requires bodies to regularly review their system of internal audit, and for the findings to be considered by a committee of the body, or by the body as a whole.
- 2.3. Advice from CIPFA includes the assertion that the "systems of internal audit" can be considered to include the role and effectiveness of the Audit Committee which therefore should be assessed and evaluated.
- 2.4. To assist Councils in this evaluation exercise CIPFA has provided a self assessment checklist and recommended that this be completed annually by the Committee.
- 2.5. Following completion of the self assessment exercise a report was presented to this Committee in November 2009 that included an action plan identifying various actions required to improve systems in operation. One of the actions identified and approved by Members was

the preparation and presentation to Cabinet of an annual report on the work of the Audit and Risk Management Committee.

- 2.6. A draft annual report for 2010/11 has been prepared on behalf of the Chair and is attached at Appendix A for consideration by the Members.

3. **FINANCIAL AND STAFFING IMPLICATIONS**

- 3.1. There are none arising from this report.

4. **LOCAL MEMBER SUPPORT IMPLICATIONS**

- 4.1. There are no local Member support implications.

5. **LOCAL AGENDA 21 STATEMENT**

- 5.1. There are no local agenda 21 implications.

6. **PLANNING IMPLICATIONS**

- 6.1. There are no planning implications.

7. **EQUAL OPPORTUNITIES IMPLICATIONS**

- 7.1. There are no equal opportunities implications.

8. **COMMUNITY SAFETY IMPLICATIONS**

- 8.1. There are no community safety implications.

9. **HUMAN RIGHTS IMPLICATIONS**

- 9.1. There are no human rights implications.

10. **BACKGROUND PAPERS**

- 10.1. Accounts and Audit Regulations 2006 – DCLG.
- 10.2. CIPFA Code of Practice for Internal Audit in Local Government.
- 10.3. CIPFA Toolkit for Local Authority Audit Committees.
- 10.4. Audit Committee - Self Assessment Action Plan Report - Nov 2009

11. **RECOMMENDATION**

- 11.1. That the draft Annual Report be completed.

DAVID A GARRY
CHIEF INTERNAL AUDITOR