

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

30 JUNE 2011

SUBJECT:	INTERNAL AUDIT ANNUAL REPORT 2010/11
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF INTERNAL AUDITOR
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR ADRIAN JONES
KEY DECISION ?	NO

1.0 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 Internal Audit Annual Report for 2010/11.

2.0 RECOMMENDATION

- 2.1 That the report is noted.

3.0 REASON FOR RECOMMENDATION

- 3.1 To provide the Members with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.
- 3.2 To provide the Members with 'reasonable assurance' that the Internal Audit Service is compliant with professional best practice including the CIPFA Code of practice for Internal Audit in Local Government.
- 3.3 To ensure that the Council complies with best practice guidance identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

4.0 BACKGROUND

- 4.1 The Accounts and Audit Regulations require that a local authority "shall maintain an adequate and effective system of internal audit".

- 4.2 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.
- 4.3 Quarterly meetings take place with the Audit Commission to explain Internal Audit's work and findings and all copy audit reports are submitted to them following their request. They have continued to express their satisfaction with the work of Internal Audit and have relied upon the service for specific aspects of work.

5.0 RELEVANT RISKS

If appropriate systems are not in place there is a risk of potential failure;

- 5.1 Of the Council not achieving its corporate objectives.
- 5.2 Of the potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.
- 5.3 To meet statutory requirements to provide adequate and effective systems of internal audit.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 No other options considered.

7.0 CONSULTATION

- 7.1 Members of this Committee, Chief Officers, external inspection agencies and other stakeholders are consulted throughout the process of preparing and delivering the Annual Audit Plan which is fundamental to the development and preparation of the Internal Audit Annual Report.
- 7.2 Issues identified for inclusion within the Internal Audit Annual Report have been discussed with the Audit Commission at regular scheduled meetings.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 There are none arising from this report.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 There are none arising from this report.

10.0 LEGAL IMPLICATIONS

- 10.1 There are none arising from this report.

11.0 EQUALITIES IMPLICATIONS

- 11.1 There are none arising from this report.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 There are none arising from this report.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are none arising from this report.

FNCE/147/11

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APPENDICES

Appendix 1: Internal Audit Annual Report 2010/11

REFERENCE MATERIAL

CIPFA Code of Practice for Internal Audit in Local Government
Chartered Institute of Internal Auditors Standards & Protocols for Internal Auditing
Auditing Practices Board

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	Annual report presented to June meetings of this Committee during last 3 years.