

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

10 JUNE 2013

REPORT OF THE CHIEF INTERNAL AUDITOR

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 2012/13.

2. BACKGROUND

- 2.1 The Accounts and Audit Regulations 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.

3. ANNUAL INTERNAL AUDIT REPORT 2012/13

- 3.1 The attached Internal Audit Annual Report specifies the Internal Audit assurance opinion on key areas of the Council’s activity for 2012/13.
- 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. However significant attention was also paid to key risks in the following areas:

Performance Management,
Anti Fraud and Corruption
Corporate Governance,
Risk Management,
ICT Systems,
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.

3.4 The Internal Audit Plan for 2012/13 was approved by this Committee in March 2012.

3.0 RELEVANT RISKS

3.1 Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.

3.2 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.

4.0 OTHER OPTIONS CONSIDERED

4.1 No other options considered.

5.0 CONSULTATION

5.1 Members of this Committee are consulted throughout the process of delivering the Internal Audit Annual Report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising from this report.

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

7.1 There are none arising from this report.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising from this report.

9.0 EQUALITIES IMPLICATIONS

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising from this report.

12.0 RECOMMENDATION

12.1. That the report be considered by the Members and noted.

13.0 REASON FOR RECOMMENDATION

13.1 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.

13.2 To ensure that risks to the Council are managed effectively.

13.3 To ensure that the Council complies with best practice guidance identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

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APPENDICES

Appendix 1: Internal Audit Annual Plan 2012/13

REFERENCE MATERIAL

Internal Audit Plan 2012/13

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|-------------------------------------|--|
| Audit and Risk Management Committee | Annual report presented to June meetings of this Committee every year. |