

AGENDA ITEM

**Audit Committee**

DATE: 27th MAY 2009

**INTERNAL AUDIT ANNUAL REPORT FOR FINANCIAL YEAR 2008/2009**

**Paul Slocombe - Director Of Resources**

**PURPOSE OF REPORT**

1. This report contains the opinion of the Audit Manager on the adequacy and effectiveness of the Council's internal control environment and a summary of the audit work undertaken to arrive at that opinion. The opinion is included within the Annual Report attached as Appendix A.
2. The report is a key component of the assurance framework. Its purpose is to inform Members of the work of the Internal Audit Section for financial year 2008/2009; provide performance information and draw attention to any matters of interest. The Annual Report should be considered in the context of fulfilling the function to monitor the adequacy and effectiveness of the Council's internal control environment and the Internal Audit service provided.

**BACKGROUND**

3. The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 (the Code), has been deemed proper practice under the Accounts and Audit (Amendment) (England) Regulations 2006, states that under Standard 10 Reporting: that the Head of Internal Audit should provide a formal annual report to the organisation.
4. Internal Audit, along with other assurance processes of the Council, have a statutory obligation under the Accounts and Audit (Amendment) (England) Regulations 2006 to provide assurance from the work they undertake in respect to the internal control systems operating within the Council.
5. The system of internal control supports the achievement of the Council's aims and objectives whilst safeguarding public funds and its assets. It is designed to manage risks to a reasonable level, rather than to eliminate them completely. Internal Audit and other assurance processes can therefore only provide within the

Statement of Control reasonable and not absolute assurance of adequacy and effectiveness.

6. This Committee helps raise the profile of internal control, risk management and financial reporting issues and provides a forum for the consideration of issues raised by Internal and External Audit and completion of assurance statements by senior managers to support the Council's Annual Governance Statement (AGS).
7. Based on the work undertaken during the year reported upon, and the implementation by management of the majority of the recommendations made, Internal audit can provide substantial assurance that the systems of internal control within these areas of the Council are operating adequately and effectively.

## **FINANCIAL CONSIDERATIONS**

8. None.

## **RECOMMENDATIONS**

9. That Members are asked to note the outcome of Internal Audit's work for 2008/2009 and receive the annual report.

## **REASONS**

10. The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 recommends that the Head of Internal Audit provide a written report to the Audit Committee to support the Annual Governance Statement.
11. The report is a key component of the assurance framework. Its purpose is to inform Members of the work of the Internal Audit Section in Financial year 2008/2009

## **BACKGROUND PAPERS**

- Code of Practice for Internal Audit in Local Government in the United Kingdom 2006
- Reports of individual audit assignments

## **AUTHOR**

**D Robinson – Audit Manager**  
**Telephone: 726374**

---

*Address: PO Box 99A, Town Hall, Middlesbrough. TS1 2QQ*  
*Website: <http://www.middlesbrough.gov.uk>*