

ANNUAL REPORT BY AUDIT COMMITTEE 2007 - 2008

1. SUMMARY

The Code of Practice for Internal Audit in Local Government (the Code) issued by CIPFA in 2000 sets out good practice in delivering internal audit services. The Code was revised in 2006 and Grant Thornton UK LLP, in May 2007 carried out a Code compliance review resulting in a report. One resultant recommendation required that the Audit Committee produce an Annual Report to the Council. This report would summarise the work of the Audit Committee during the year and outline its view of the Council's internal control framework, risk management and governance arrangements. Attached is the annual report.

2. RECOMMENDATIONS

2.1 The contents of this report are noted and approved by the Audit Committee for submission to the Council.

3. DETAILS

3.1 Grant Thornton, the Council's external auditors, carried out a Review of Internal Audit in May 2007. In the review they mentioned that the Audit Committee did not prepare an annual report to the Council.

3.2 At the Audit Committee on 28 June 2007 the Head of Strategic Finance submitted a report recommending that the Audit Committee prepare an annual report for the Council with the first report covering the financial year ended 31 March 2008. The Audit Committee agreed to prepare an annual report to the Council.

4. CONCLUSIONS

The first annual report has been prepared and is attached.

5. IMPLICATIONS

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| 5.1 | Policy: | None |
| 5.2 | Financial: | None |
| 5.3 | Personnel: | None |
| 5.4 | Legal: | None |
| 5.5 | Equal Opportunities: | None |

For further information please contact Alex Colligan, Internal Audit Manager (01546 604271).

Alex Colligan, Internal Audit Manager. 9th June 2008