

ANNUAL REPORT BY AUDIT COMMITTEE 2008 - 2009

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 further revised in 2006. In May 2007, Grant Thornton UK LLP the Council's external auditors carried out a Code compliance review. This resulted in a report with recommendations. One recommendation required the Audit Committee to produce an Annual Report to the Council. This report summarises the work of the Audit Committee during the year and outlines its view of the Council's internal control framework, risk management and governance arrangements. The annual report is attached in Appendix 1.

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 Following the Council's external auditor recommendation that the Audit Committee prepare an annual statement, attached in Appendix 1, is the statement for the financial year ended 31 March 2009.
- 3.2 Over the past year, the Committee has evolved an agreed framework of reporting which now allows immediate assessment of the Council's progress in addressing identified issues of governance, risk management and internal control. With a solid base established in this regard, the Committee is now moving to a more pro-active posture on the Council's operations.
- 3.3 Having now established a mechanism for post completion audits on capital projects, the Audit Committee will be involved in the selection of projects to be reviewed and reported on by Internal Audit.
- 3.4 The inception of the Single Outcome Agreement, the move to stage two of Best Value and the increasing emphasis on self assessment, identify the Audit Committee as an important resource for the Council in addressing these challenges.
- 3.5 Over the past year the Committee has identified a process which will allow a formal audit and assessment of its own efficacy. This is the subject of a separate report to the Audit Committee by KPMG UK LLP.
- 3.6 A draft report was submitted to the Audit Committee in June 2009 and agreed subject to changes. The changes have now been made to the

report and the Committee is asked to approve the revised report.

4. CONCLUSIONS

The Audit Committee is in good heart and relishing its role and contribution. The annual report has been prepared and is attached in Appendix 1.

5. IMPLICATIONS

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).

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