

WILTSHIRE COUNCIL

AUDIT COMMITTEE

20th June 2012

INTERNAL AUDIT ANNUAL REPORT

Purpose of the Report

1. Internal Audit (IA) transferred to the South West Audit Partnership (SWAP) on 1st November 2011. The reporting requirements under the Chartered Institute of Public Finance and Accountancy (CIPFA) require the Chief Internal Auditor to provide an opinion on the overall control environment based upon the work carried out by the function each year. The attached report does that and updates members on activity and performance not reported to the Committee during the year to date against the 2011/12 Annual Plan.

Executive Summary

2. The attached Annual Report identifies that overall the CIA has concluded at page 1:

“I have considered the balance of audit work and outcomes against this environment and am able to offer reasonable assurance, in respect of the areas reviewed during the year, as most were found to be adequately controlled. Generally risks are well managed but some areas require the introduction or improvement of internal controls to ensure the achievement of objectives. Whilst I have limited concerns regarding some aspects of the control environment, I did not consider there to be any areas of significant corporate concern.”

3. The remainder of the report updates members on six areas of operational audits where ‘limited assurance’ has been concluded. Members should note that these audits were concluded before December 2011, but the finalisation of the reports was delayed due to the transfer. However, management actions have been agreed in all of these areas and considerable progress has been made in responding and implementing actions. For example procedure notes have now been written in relation to Housing Benefits and the Pensions Altair system back up has been resolved. As such good progress has been made in all areas of concern raised.

4. Overall SWAP IA found:

Assurance (per definitions at Appendix)	Number
Full	5%
Substantive	57%
Partial/Limited	25%
None	1%
Summary audit only	12%

The detail by each audit is set out at Appendix A of the SWAP report.

5. The report identifies that despite the transfer 100% of audits planned, as revised at the last Audit Committee were completed and the fee delivered as per budget. Due to the limited time of operating the partnership with Wiltshire Council some performance measures, such as time to report, not previously collated were not possible of being collated this year but will be reported to future Committees.
6. Work on the 2012/13 Audit Plan has commenced and whilst only 4 audits have been finalised (all reasonable assurance) this is due to the timing of the year end work and thus the work remains on track and Appendix B of the SWAP report identifies the work undertaken in the last 3 months and the up and coming audit reviews.

Proposal

7. Members are asked to note the opinion of the Chief Internal Auditor and the findings from the last two quarters.

Reasons for Proposals

8. To ensure an effective IA function and strong control environment.

Michael Hudson
Director of Finance, S.151 Officer

Report author: Michael Hudson
01225 713601
michael.hudson@wiltshire.gov.uk

Unpublished documents relied upon in the preparation of this Report: None.

Appendices : A – IA Annual Report 2011/12 and Appendices to this report