

FINAL ACCOUNTS AND AUDIT COMMITTEE
26th September 2005

INTERNAL AUDIT ANNUAL REPORT 2004-05

Purpose of the Report

1. To present the Internal Audit Annual Report 2004-05 to the Final Accounts and Audit Committee, and to draw particular attention to the audit opinion on internal control within the report.

Background

2. The Code of Practice for Internal Audit in Local Government, issued by CIPFA, is recognised as representing proper practice for internal audit of public sector bodies. A key requirement of this Code is that Internal Audit should prepare an annual report to the County Council, in order to present a summary of the work it has undertaken during the course of the year, and to include an opinion on the County Council's internal control environment. This opinion will represent one of the sources of assurance to support the annual Statement on Internal Control.
3. The Final Accounts and Audit Committee has within its terms of reference the responsibility for receiving the Annual Report of Internal Audit on behalf of the County Council.
4. Audits were carried out during the year, across all departments, in accordance with a risk-based audit plan. The findings and conclusions from these audits are summarised in the Appendix to the report, and these serve to support the overall audit opinion.

Main Considerations for the Council

5. The main consideration is to note the content of the Internal Audit Annual Report for 2004-05 (attached as Appendix 1), and in particular the overall audit opinion that internal control is in place and is operating satisfactorily in relation to the various systems and procedures reviewed. This should provide an overall message of assurance for Members of the Final Accounts and Audit Committee, and in order to support the Statement on Internal Control for 2004-05.

Environmental Impact of the Proposal

6. No environmental impact arises from issues raised in this report.

Financial Implications

7. There are no additional costs arising from this proposal.

Reasons for the Proposal

8. To present the Internal Audit Annual Report 2004-05 to the Final Accounts and Audit Committee, and to draw particular attention to the audit opinion on internal control within the report.

Proposal

9. The Final Accounts and Audit Committee is asked to:
- (i) Note the content of the Internal Audit Annual Report for 2004-05
 - (ii) Note the overall audit opinion that internal control is in place and is operating satisfactorily in relation to the various systems and procedures reviewed, which represents one of the sources of assurance to support the annual Statement on Internal Control.

Mike Prince
County Treasurer

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Unpublished documents relied upon in the preparation of this Report:

Code of Practice for Internal Audit in Local Government in the UK, CIPFA, 2003