

Audit Committee

Meeting to be held on 25 June 2012

Electoral Division affected: All

Internal Audit annual report to Lancashire County Council for 2011/12 (Appendix A refers)

Contact for further information:

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Executive Summary

The annual report to Lancashire County Council is included at Appendix A to this report.

The opinion given in the report states that "I can provide substantial assurance that there is generally a sound system of internal control, adequately designed to meet the council's objectives, and controls are generally being applied consistently."

However there are matters that put the achievement of the council's objectives at risk and these have been discussed with members of the Management Team.

Recommendation

The Committee is asked to consider the internal audit annual report for 2011/12.

Background

The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 states that the head of internal audit's formal annual report to the organisation must:

- (a) include an opinion on the overall adequacy and effectiveness of the organisation's control environment;
- (b) disclose any qualifications to that opinion, together with the reasons for the qualification;
- (c) present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- (d) draw attention to any issues the head of internal audit judges particularly relevant to the preparation of the statement on internal control (now the annual governance statement);
- (e) compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and targets;
- (f) comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The Internal Audit Service also complies with the professional standards of the Institute of Internal Auditors, whose International Professional Practices Framework requires compliance with its International Standards for the Professional Practice of Internal Auditing, 2011.

Background and advice

The work on which this report is based is in accordance with the annual internal audit plan agreed by the Audit Committee on 21 March 2011, and has been reported in progress reports to each meeting of the Audit Committee during 2011/12/

Consultations

Not applicable.

Implications

Not applicable.

Risk management

This report supports the Audit Committee in undertaking its role, which includes advising the Council on the adequacy of the Authority's risk management processes.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Ext
CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom	2006	Ruth Lowry X 34898
Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing	2011	

Reason for inclusion in Part II, if appropriate:

Not appropriate.