

MEETING:	AUDIT AND GOVERNANCE COMMITTEE
DATE:	17 SEPTEMBER 2010
TITLE OF REPORT:	INTERIM AUDIT SERVICES ASSURANCE REPORT 2010/11 NO.1
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To update Members on the work status and bring to their attention any key internal control issues.

Key Decision

This is not a Key Decision.

Recommendation

THAT subject to any comments that the report be noted.

Key Points Summary

- Seven key issues were identified in the Council's Annual Governance Statement (Appendix 1 refers).
- Subject to Committee agreement there are currently nine Committee Resolutions that are open (Appendix 2 and 3 refers);
- One Audit review was given an unsatisfactory audit opinion.

Alternative Options

- 1 This report is for information therefore alternative options are not applicable.

Reasons for Recommendations

- 2 To ensure compliance with good practice as set out in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.

Further information on the subject of this report is available from
Tony Ford Chief Internal Auditor on (01432) 260425

Introduction and Background

- 3 To ensure that the Committee is informed of progress on the Audit Plan and any key internal control issues identified.

Key Considerations

Key Issues Identified in 2009/10

- 4 The Audit and Governance Committee considered the Annual Assurance report for the year ending 31st March 2010 on 29th June 2009. In addition the Committee reviewed and adopted the Annual Governance Statement. The key issues identified for improvement are set out in Appendix 1 along with the comments of the lead officer regarding the current position.

Audit and Corporate Governance Committee Resolutions

- 5 Regarding resolutions made by the Committee from May 2007 to June 2008 (Appendix 2 refers) there are two open and ongoing following the last meeting held on 29th June 2010 Replies received from relevant officers have been included in the updated version of the appendix.
- 6 With reference to resolutions made by the Committee from July 2008 to date (Appendix 3 refers) there are seven open and ongoing following the last meeting held on 29th June 2010. Replies received from relevant officers have been included in the updated version of the appendix.

Fundamental Systems

- 7 The Council's target is that all fundamental systems achieve at least a satisfactory audit opinion. Work in this area has started and the Audit and Governance Committee will be kept informed of progress.

Non Fundamental Systems

- 8 The report on Car Park Income has been finalised and an unsatisfactory audit opinion issued, this was due to the need for improved procedures and controls, managers have taken speedy action in relation to the recommendations made. The service Manager has confirmed that all recommendations have been implemented. A follow up audit visit will be made to ensure that actions are embedded. As required under the Audit and Governance Code a copy of the report has been sent to the Chairman of the Audit and Governance Committee.

Governance and Anti-fraud

- 9 Preliminary work in relation to the National Fraud Initiative (NFI) 2010 is in progress. The Annual Governance Statement for 2009/10 was presented to the Audit and Governance Committee on 29th June and now forms part of the Council's Statement of Accounts.

Establishments

- 10 Work continues to assess the financial management arrangements for schools in line with the Department for Children, Schools, and Families (DCSF) Standard, currently three schools , have met the standard however there are some 18 reviews out in draft, and two work in progress.

Recommendation Follow Ups

- 11 The unannounced follow up visit in relation to the Procurement and Contract Procedures – Resources (Asset Management and Property Services) was carried out in May 2010. The outcome is set out in the table below:

STATUS	Number
No longer applicable	1
Completed	4
Partly completed	6
Not completed	5
TOTAL	16

- 12 It should be noted that at the time of the follow up visit Asset Management and Property Services, under the direction of the Head of Service was working to implement the remaining recommendations, it is pleasing to note that I have received confirmation from the Head of Service that all partly and all not completed recommendations have now been implemented. A further audit visit is planned to ensure actions are embedded.

Community Impact

15. N/a

Financial Implications

16. There are no financial Implications.

Legal Implications

- 17 There are no Legal Implications.

Risk Management

- 18 There is a risk that the level of work required to give an opinion on the Council's systems of Internal Control is not achieved. The Director of Resources and the Chief Internal Auditor keep delivery of the annual Internal Audit Plan under continual review in order to mitigate this risk.

Consultees

- 19 Relevant officers have been requested to update action taken on key issues identified in 209/10 and past Audit and Corporate Governance Committee resolutions. Their replies have been included in the relevant appendices.

Appendices

- 20 **Appendix 1- Annual Governance Statement 2009/10 Key Issues Identified.**

Appendix 2 – Audit and Corporate Governance Committee Resolutions May 2007 to June 2008.

Appendix 3 - Audit and Corporate Governance Committee Resolutions July 2008 to June 2010.

Appendix 4 – Status Audit Plan 2010/11

Background Papers

- Audit Plan 2010/11 previously approved by the Audit and Governance Committee on 29th June 2010.