

# AUDIT SERVICES ASSURANCE REPORT 2003/04

## PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

9TH SEPTEMBER, 2004

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### Wards Affected

County-wide

### Purpose

To receive a report on Audit Services activity during the year 2003/04 and an opinion on the Council's overall level of internal control including any areas of concern.

### Key Decision

This is not a key decision.

### Recommendations

**THAT the Assurance Report be approved and referred to Strategic Monitoring Committee for comment.**

### Reasons

Compliance with good practice as set out in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.

### Considerations

1. The detailed Assurance report for 2003/04 is attached at Appendix 1 with the key conclusions set out below.
2. Following assessment of the Council's overall level of internal control, a satisfactory level of control has been achieved.
3. The four-year Strategic Plan is based on a detailed risk assessment evaluation, which directs Internal Audit work as encompassed in the Annual Plan.
4. There are several issues, which we would like to draw to Cabinet's attention. Although Internal Audit has identified issues at service level, these are not material issues that affect the Council's overall level of internal control. Where problems have been identified, immediate management action has been undertaken to ensure that control mechanisms are in place. An example here being the Disaster Recovery Audit where the Director has recruited external contractors to help improve the Council's position as quickly as possible. It is likely, however, that within the Audit

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Further information on the subject of this report is available from  
Tony Ford Principal Audit Manager on 01432 260425

Commission's annual management letter reference will be made to fundamental systems which have a marginal or worse opinion.

5. The key issues highlighted relate to IT security, Performance Management and the Jarvis contract. All of which are being addressed as matters of high priority. Follow up Audit work is planned to cover these areas during 2004/05.
6. It is satisfying to report that no fundamental systems were found to be unsatisfactory, and that positive action was taken in relation to BVPI 157-the number of types of interactions that are enabled for electronic delivery.
7. Management continue to respond positively to recommendations and has agreed to take action on 96.7% of the recommendations made, which is broadly the same as last year.
8. The Audit Commission has completed its full review of Internal Audit's work and continues to be able to rely on the work of the section, an important factor as the Audit Commission continue to increase the extent to which this is the case.

## **Risk Management**

The four-year strategic plan is based upon a 'Traffic Lights' Methodology, with Red being high risk, Amber being medium risk and Green being low risk. Within each risk area consideration is also given to residual risk for specific functions or establishments based upon their last Audit opinion and current knowledge.

## **Consultees**

None.

## **Background Papers**

None identified.