

AUDIT SERVICES ASSURANCE REPORT 2004/5

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE, AND RESOURCES

CABINET

1ST SEPTEMBER, 2005

Wards Affected

County-wide

Purpose

To receive a report on Audit Services activity during the year 2004/05 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 considered by Cabinet and referred to the Audit Committee.

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 2004/05 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. There was no Audit Committee during 2004/05. However, the core functions of an Audit Committee were undertaken by Cabinet and Strategic Monitoring Committee.
4. The four-year Strategic Plan is based on a detailed risk assessment evaluation, which directs Internal Audit work as encompassed in the Annual Plan.
5. The core financial systems have been identified and annual reviews of their effectiveness showed that with the exception of one, all were given satisfactory audit opinions or better.
6. Although issues have been identified at service level, there are no material issues that affect the Council's overall level of internal control. It is likely, however, that

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

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

7. The key issues highlighted relate to the overspend in Social Care and the Council's overall disaster recovery arrangements.
8. Management continues to respond positively to recommendations and has agreed to take action on 95% of the recommendations made, which is broadly the same as last year. Audit follow-up of previous recommendations on a sample basis has shown that action was being taken on some 89%.
9. The Audit Commission continues to be able to rely on the work of the section; an important factor as it continues 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.