



REPORT TO: Overview and Scrutiny Committee

DATE: 18th December 2008

REPORTING OFFICER: Partnership Manager,
North Yorkshire Audit Partnership
James Ingham CPFA

SUBJECT: Interim Internal Audit Report 2008/09

WARDS AFFECTED: All

1.0 PURPOSE OF REPORT

This report presents the Interim Internal Audit Report to 30th November 2008 from the North Yorkshire Audit Partnership.

2.0 RECOMMENDATIONS

a. **It is recommended that the Interim Internal Audit Report for 2008/09 be noted.**

3.0 REASONS SUPPORTING DECISION

The report forms part of the regular monitoring of the work of Internal Audit and its recommendations and findings.

4.0 BACKGROUND

The Accounts and Audit Regulations 2003 require all Councils to annually review their systems of internal control and to provide an adequate and effective Internal Audit function.

5.0 INTRODUCTION

This report presents the Interim Internal Audit Report from the North Yorkshire Audit Partnership, which is attached as Appendix A. That report summarises the work done by Internal Audit in 2008/09 covering the year to 30th November 2008.

This report highlights issues that the audits have identified and provides a summary of these. It also outlines any issues emerging from the audits of the principal financial systems of the Council, together with any significant comments from other audits completed during the year to date.

The North Yorkshire Audit Partnership is able to provide the Council with a clear statement of Internal Control Assurance, as all the systems audited to date are operating robustly and securely.

6.0 POLICY CONTEXT

This report supports the Council's Corporate Strategic Objective of providing strong Community Leadership, by demonstrating a commitment to local democracy and accountability.

7.0 REPORT

The interim report detailed in appendix A, provides an assurance statement for the financial systems of the council, based on the work undertaken to date, and past experience. It is not a 'carte blanche' but a balanced judgement.

The appendix to the report provides a brief synopsis of the issues arising at each of the audits completed in the period. This allows the committee to be aware of control issues that have been identified, and enables the committee to request specific discussions with line management about the matters raised.

This routine reporting to the committee forms an important part of the overall control framework, and the audit committee's role is also seen as an integral component by the CPA process, through the Key Lines of Enquiry that the Audit Commission follow as part of that CPA/CAA assessment process.

8.0 FINANCIAL IMPLICATIONS

There are no financial implications, beyond the existing budget for Internal Audit.

9.0 RISK ASSESSMENT

Information,

none

Strategic,

That Internal Audit's annual report contains an adverse assurance opinion on the control systems of the Council. That the council must comply with the Accounts & Audit regulations.

Operational,

That systems will not be amended in the light of Internal Audit reports and agreed recommendations.

People,

none

Reputation,

That the council does not take seriously the audit of its internal control systems, and does not comply with best practice in the preparation of its AGS.

Regulatory

No formal requirement at present, though it is accepted that it is good practice to have regular reporting of Internal Audit work to Audit Committees (or equivalents).

Financial.

none

10.0 CONCLUSION

The current Internal Audit Plan for 2008/09 and subsequent years has been arrived at through discussions with the Audit Partnership Manager, the Strategic Director (S151 officer) and the client manager. It is considered that it represents the best compromise between economy and effectiveness, and

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will provide a sufficient level of assurance for the AGS and the Council's external auditors.

The interim report summarises the work done to date at Ryedale DC.

OFFICER CONTACT:

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