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<b>REPORT TO:</b>	<b>OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>27 JUNE 2013</b>
<b>REPORT OF THE:</b>	<b>HEAD OF INTERNAL AUDIT MAX THOMAS</b>
<b>TITLE OF REPORT:</b>	<b>ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 This report summarises the outcome of internal audit work undertaken in 2012/13 and provides an opinion on the overall adequacy and effectiveness of the Council's internal control arrangements.

### **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the committee:
- (i) note the results of audit and fraud work undertaken in 2012/13
  - (ii) accept the opinion of the Head of Internal Audit on the adequacy and effectiveness of the Council's internal control environment.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 To enable the committee to fulfil its responsibility for considering the outcome of internal audit work.

### **4.0 SIGNIFICANT RISKS**

- 4.1 The Council will fail to comply with the requirements of the Cipfa Code of Practice for Internal Audit in Local Government if the results of audit work are not reported and the opinion of the Head of Internal Audit is not considered by the Audit Committee.

### **5.0 POLICY CONTEXT AND CONSULTATION**

- 5.1 The work of internal audit supports overall aims and priorities by promoting probity, integrity and accountability and by helping to make the council a more effective organisation. The results of completed audit work are reported to service managers and relevant chief officers.

## REPORT

### 6.0 REPORT DETAILS

6.1 The work of internal audit is governed by the Accounts and Audit (England) Regulations 2011 and relevant professional standards. During 2012/13, the applicable standards for internal audit were contained in the CIPFA Code of Practice for Internal Audit in Local Government (2006)<sup>1</sup>. In accordance with the code of practice, the Head of Internal Audit is required to report to those charged with governance on the findings of audit work, provide an annual opinion on the council's control environment and identify any issues relevant to the preparation of the Annual Governance Statement.

6.2 During 2012/13 internal audit work for the council was delivered by Veritau North Yorkshire Limited in accordance with the approved audit plan. The results of completed audit work were reported to service managers and relevant chief officers as required during the course of the year. In addition, summaries of audit findings have been presented to this committee as part of regular monitoring reports. Annex B summarises all audits completed since the last Committee and forms the basis for the opinion given in this report.

#### **Opinion of the Head of Internal Audit**

6.3 The opinion of the Head of Internal Audit is given in Annex A. The opinion is based on internal audit work completed by Veritau North Yorkshire (VNY) during 2012/13.

6.4 In giving this opinion, consideration has been given to all of the findings identified by VNY. While these include some issues which it is important for the council to address, there were no findings which represent a significant risk in relation to the overall control environment. Action taken to address the recommendations made will be followed up during the course of future internal audit work. There are no other issues aside from those arising from internal audit work that have been brought to the attention of the Head of Internal Audit as relevant to forming an opinion.

### 7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial  
None

b) Legal  
None

c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
None

**Max Thomas**  
**Head of Internal Audit**  
**Veritau North Yorkshire Limited**

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<sup>1</sup> The CIPFA Code of Practice for Internal Audit in Local Government was replaced on 1 April 2013 by the Public Sector Internal Audit Standards.

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**Background Papers:**  
None