
REPORT TO: FINANCE & MANAGEMENT

AGENDA ITEM: 12

DATE OF MEETING: 17th FEBRUARY 2004

CATEGORY:
DELEGATED

REPORT FROM: CHIEF FINANCE OFFICER

OPEN
PARAGRAPH NO: N/A

MEMBERS' CONTACT POINT: TONY STAMPER (5706)

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SUBJECT: ANNUAL REPORT OF THE
INTERNAL AUDIT SERVICE 2002/03

REF: TJN/AJS

WARD(S) AFFECTED: ALL

TERMS OF REFERENCE: FM

1.0 Recommendations

1.1 Members are asked to:-

⇒ Note the annual report of the internal audit service attached.

2.0 Purpose of Report

2.1 To provide members with information of the work of internal audit over the last year and to confirm approval for the current internal audit work plan.

3.0 Executive Summary

3.1 The Annual Report of the Council's Internal Audit Service confirms that the Council's key financial systems are being operated in a responsible manner to prevent fraud and financial irregularity.

4.0 Detail

4.1 The Council's Internal Audit Team carry out a range of Audits in accordance with the Council's Strategic Audit Plan.

4.2 The team works closely with the Council's external auditors, who place a considerable degree of reliance on the work carried by the internal audit team.

4.3 In essence, Internal Audit verify that financial and other systems include a level of control sufficient to prevent and deter fraud, error and financial irregularity.

4.4 As most financial transactions are heavily computerised, this means that increasingly audit work focuses on the effectiveness of computer systems that are used to administer Council finances.

4.5 The report of the Internal Audit Team at Annex A explains how the team approaches its work and provides a summary of their work over the last year.

4.6 It would be impossible for any Audit Team to look at all the Council's activities in any one year. This means that their work is prioritised based on the perceived level of risk involved.

4.7 Appendix 1 sets out the Annual Audit Plan for the current year 2003/4. This summarises the main areas of audit work in the current year.

5.0 Financial Implications

5.1 None stemming directly from this report.

6.0 Conclusions

6.1 The Council has effective procedures to safeguard the finances of the Authority.

7.0 Background Papers

7.1 None