



Public Agenda Item: **Yes**

Title: **Head of Internal Audit's Six Month Internal Audit Progress Report 2011/2012**

Wards Affected: **All Wards**

To: **Audit Committee** On: **18 January 2012**

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1. What we are trying to achieve

- 1.1 This report summarises the work undertaken by Devon Audit Partnership during the first six months of 2011/12. It reviews the performance and effectiveness of the Internal Audit service, and provides an audit opinion on the adequacy of Torbay's internal control environment. This report also informs Members of the views of the Head of Internal Audit as to whether there are any matters of concern for Members.
- 1.2 The report forms part of the evidence that will allow the Council to prepare its Annual Governance Statement, and provides the opportunity for the organisation to review its processes, controls and objectives and to provide assurance to Members, Senior Officers and stakeholders as to the reliability of its statement of accounts and the probity of its operations.

2. Recommendation(s) for decision

2.1 That the Committee note

- i. the satisfactory progress against the agreed internal audit plans for 2011/12 during the first six months of the year;
- ii. the key issues arising from those audits highlighted in this report;

3. Key points and reasons for recommendations

- 3.1 The Internal Audit (IA) Service for Torbay Council is a commissioned service delivered by the Devon Audit Partnership.
- 3.2 All local authorities and other relevant bodies subject to the Local Government Act 1972 Section 151 and the Accounts and Audit Regulations 2003 (as amended 2006) must maintain an adequate and effective system of Internal Audit of its accounting records and of its system of Internal Control in accordance with the proper practices in relation to internal control.

3.3 To satisfy the requirements of the Code of Practice for Internal Audit in Local Government in the United Kingdom and to enable full consideration of the Annual Governance Statement which is included in the Council's Statement of Accounts, the Head of Internal Audit must provide a written report to those charged with governance which must: -

- Include an opinion on the overall adequacy and effectiveness of the organisation's control environment
- Disclose any qualifications to that opinion, together with the reasons for the qualification
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and targets
- Comment on the compliance with the standards contained in the CIPFA Code of Practice on Internal Audit in Local Government in the United Kingdom and communicate the results of the internal audit quality assurance programme

This report is prepared in line with the above requirements and provides a summary of the internal audit work undertaken in the first six months of 2011-12.

3.4 Based on the audit work undertaken so far during the year, irregularity investigations and any other relevant information, our overall opinion is that we are currently satisfied that there is reasonable assurance as to the adequacy and effectiveness of the Authority's internal control environment.

For more detailed information please refer to Appendix 1.

Martin Gould
Chief Internal Auditor and Head of Devon Audit Partnership