

PART A

Report to: Audit Committee
Date of meeting: 26 June 2013
Report of: Head of Finance Shared Services
Title: Internal Audit Annual Report 2012/2013

1.0 SUMMARY

This report introduces the Internal Audit's Annual Report on the work of the Internal Audit Service for 2012/2013 and Head of Finance Shared Services opinion of the adequacy and effectiveness of the Council's control environment (attached).

2.0 RECOMMENDATIONS

2.1 That the contents of the annual internal audit report be noted.

Contact Officer:

For further information on this report please contact: Head of Finance Shared Services : Alan Power, Telephone number (01923) 727196 (email Alan.Power@ThreeRivers.gov.uk) and Chris Gamble Senior Auditor : SIAS (01923) 278104 (chris.gamble@hertfordshire.gov.uk).

Report approved by: Bernard Clarke, Head of Strategic Finance

3.0 **IMPLICATIONS**

3.1 **Financial**

3.1.1 The Head of Strategic Finance comments that there are no immediate implications arising from this report.

3.2 **Legal Issues** (Monitoring Officer)

3.2.1 The Head of Legal and Property Services comments that the legal implications are dealt with in the body of the report. The Council is under a duty to undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control. The Committee is required consider an annual report, including an opinion on the adequacy and effectiveness of the control environment, to those charged with governance.

3.3 **Potential Risks**

Potential Risk	Likelihood	Impact	Overall score
The most significant potential risk relates to the possibility that Internal Audit is of poor quality and ineffective. This could lead to an increase in control weaknesses, in greater risks to the Council and to a loss of confidence by the external auditors in Internal Audit and the Council's control environment.	1	3	3

Appendix

Annual Audit report

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report:

Internal Audit Files.

File Reference

None.