

**CORPORATE GOVERNANCE COMMITTEE – 14 JUNE 2013****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****INTERNAL AUDIT SERVICE - ANNUAL MEMBERS' REPORT -
2012-13****Purpose**

1. To provide the Committee with an annual report on work conducted by Leicestershire County Council Internal Audit Service (LCCIAS). It is then intended to distribute the report to all members of the Council.

Background

2. The Director of Corporate Resources has delegated responsibility for arranging a continuous internal audit. Under the County Council's Constitution, this Committee is required to monitor the adequacy and effectiveness of the system of internal audit. One of its specific functions is to consider the Head of Internal Audit Service's (HoIAS) annual report and opinion on the "internal control environment" of the Authority. The Committee also receives reports on progress against the Internal Audit Service Annual Plan at each of its meetings. This, and reports on the planning process, allows it to review the effectiveness of the system of internal audit as required under the Accounts and Audit Regulations 2003 (amended 2011).

Annual Internal Audit Service Report

3. The report for 2012-13 is provided in Appendix 1 and a list of the assurance and consulting audits undertaken in 2012-13 is in Appendix 2. Although not a requirement, the annual report has traditionally been made available to all members of the County Council.
4. Within the annual report the HoIAS gives an opinion on the overall adequacy and effectiveness of the Authority's "internal control environment". This is required by CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom (2006). Evidence from audits carried out during the year and the professional judgement of the HoIAS based on an evaluation of other related activities is used to reach this opinion. For 2012-13 an overall positive opinion on the 'internal control environment' has been given. An explanation of what the "internal control environment" covers is given in Appendix 3.

Resource Implications

5. The Section's expenditure is contained within the Corporate Resources Department's agreed budget.

Equal Opportunities Implications

6. There are **no specific** equal opportunities implications contained within the annual summary of work undertaken.

Recommendation

7. The Committee is asked to note the Internal Audit Service annual report for 2012-13 and to agree that it be circulated for information to all members.

Background Papers

The Constitution of Leicestershire County Council
 Accounts and Audit Regulations (Amendment) 2011
 The CIPFA Code of Practice for Internal Audit in Local Government in the
 United Kingdom 2006
 Briefing paper to the Corporate Governance Committee members
 27th October 2005

Circulation under Local Issues Alert Procedure

None

Officer to Contact

Neil Jones	Telephone	0116 305 7629
Head of Internal Audit Service	Email	Neil.Jones@leics.gov.uk

List of Appendices

- | | |
|------------|---|
| Appendix 1 | - Internal Audit Service work during 2012-13 |
| Appendix 2 | - Internal audits (assurance and consulting) conducted in 2012-13 |
| Appendix 3 | - The internal control environment |