

DECISION-MAKER:	GOVERNANCE COMMITTEE		
SUBJECT:	CHIEF INTERNAL AUDITOR'S ANNUAL REPORT AND OPINION 2012/13		
DATE OF DECISION:	15 JULY 2013		
REPORT OF:	CHIEF INTERNAL AUDITOR		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

Not Applicable

BRIEF SUMMARY

In accordance with proper internal audit practices, the Chief Internal Auditor is required to provide a written report reviewing the effectiveness of the system of internal control and to assist in producing the Annual Governance Statement.

The attached report provides the Chief Internal Auditor's opinion on the system of internal control and summarises audit work from which that opinion is derived for the year ending 31 March 2013.

The report concludes that Southampton City Council's framework of governance, risk management and management control is 'Adequate'.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

RECOMMENDATIONS:

- (i) That the Governance Committee approves the Chief Internal Auditor's Annual Report and Opinion for 2012/13.

REASONS FOR REPORT RECOMMENDATIONS

1. The Accounts and Audit (England) Regulations 2011 state 'a relevant body must 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'.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. None

DETAIL (Including consultation carried out)

3. The Chief Internal Auditor's Annual Report and Opinion for 2012/13 is attached for consideration in the appendix. The main purpose of this report is to give the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Council's internal control environment for the year ending 31 March 2013.

4. The Governance Committee's attention is drawn to the following points:
 - internal audit was compliant with the CIPFA Code of Practice for Internal Audit in 2012/13;
 - the revised internal audit plan for 2012/13 has been substantially delivered;
 - the Council's framework of governance, risk management and management control is considered to be 'Adequate'; however, some weaknesses have been identified through internal audit's work or evidence was found that the framework may not be consistently applied;
 - where our work identified areas where management controls could be improved or where systems and laid down procedures were not fully followed; appropriate corrective actions and a timescale for improvement were agreed with the responsible managers.
5. Significant issues identified during the course of our work related to:
 - Mobile phones; and
 - Non residential care contributions
6. The Chief Internal Auditor's Annual Report and Opinion 2012/13 has been circulated and agreed by Senior Management

RESOURCE IMPLICATIONS

Capital/Revenue

7. None

Property/Other

8. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

9. The Accounts and Audit (England) Regulations 2011 state 'a relevant body must 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'.

Other Legal Implications:

10. None

POLICY FRAMEWORK IMPLICATIONS

11. None

KEY DECISION?

No

WARDS/COMMUNITIES AFFECTED:

N/A

SUPPORTING DOCUMENTATION

Appendices

1.	Chief Internal Auditor's Annual Report and Opinion 2012/13
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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