



## **AGENDA ITEM: 5**

**AUDIT AND GOVERNANCE COMMITTEE:  
25 June 2013**

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**Report of: Borough Treasurer**

**Relevant Managing Director: Managing Director (People and Places)**

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**SUBJECT: INTERNAL AUDIT ANNUAL REPORT 2012/13**

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Wards affected: Borough wide

### **1.0 PURPOSE OF THE REPORT**

1.1 To present the Internal Audit Annual Report 2012/13 and the Audit Manager's opinion on the control environment.

### **2.0 RECOMMENDATION**

2.1 That the Internal Audit Annual Report be noted.

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### **3.0 BACKGROUND**

3.1 The work covered by this report was carried out in accordance with the Standards embodied in the Chartered Institute of Public Finance and Accountancy "Code of Practice for Internal Audit in Local Government in the United Kingdom" which requires the Head of Internal Audit to present a written report to those charged with governance annually. Consideration of the report is included in this Committee's Terms of Reference.

3.2 The report identifies any issues which the Audit Manager judges to be particularly relevant to Member's consideration of the Annual Governance Statement which appears as a separate item on this agenda.

#### **4.0 SUMMARY OF FINDINGS**

- 4.1 The Internal Audit Annual Report is attached as Appendix 1, and concludes that West Lancashire Borough Council's risk management systems and framework of internal control are adequate and operating effectively to achieve the Council's overall objectives.

#### **5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

#### **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 6.1 All the activity referred to in this report is funded from existing budget provision.

#### **7.0 RISK ASSESSMENT**

- 7.1 There is a statutory requirement for the Council to maintain an adequate and effective system of internal audit. The conclusion to the report contains the Audit Manager's Opinion on the Council's control environment. Internal Audit activity is a key element of assurance to this Committee that risks are being properly managed so as to increase the likelihood that the Council will achieve its overall objectives.

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#### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

#### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

#### **Appendices**

1. Internal Audit Annual Report 2012/13