

**TO: GOVERNANCE AND AUDIT COMMITTEE  
8 NOVEMBER 2011**

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**INTERNAL AUDIT ASSURANCE REPORT  
April –October 2011**

**Head of Audit and Risk Management**

**1 PURPOSE OF REPORT**

- 1.1 This report provides a summary of Internal Audit activity during the period April to October 2011. It covers work carried out by both internal audit contractors and the in-house team. Any significant developments since the time of writing will be reported verbally to the Committee and included in future assurance reports.

**2 RECOMMENDATION(S)**

- 2.1 **The Governance and Audit Committee are asked to note the attached report.**

**3 REASONS FOR RECOMMENDATION(S)**

- 3.1 To ensure that the Governance and Audit Committee are aware of the internal audit work performed and conclusions reached.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 No alternative options available.

**5 SUPPORTING INFORMATION**

Background

- 5.1 Under the Council's Constitution and Scheme of Delegation the Borough Treasurer is responsible for the administration of the financial affairs of the Council under Section 151 of the Local Government Act 1972. Professional guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) requires the provision of an effective Internal Audit function to partly fulfil his responsibilities under Section 151.
- 5.2 The provision of Internal Audit services is largely outsourced to H. W Controls and Assurance under a contract for 3 years which commenced on 1 April 2009. H.W Controls and Assurance are responsible for delivering approximately three quarters of the audits set out in the Annual Internal Audit Plan approved by the Governance and Audit Committee in March 2011. In addition, to date four audits have been carried out internally and 12 audits were by other providers as set out in Section 3.1 of my report. The attached report summarises delivery to date on the audits approved under the Plan and other activities carried out in-house.

**6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

6.1 Nothing to add.

Borough Treasurer

6.2 Nothing to add.

Equalities Impact Assessment

6.3 Internal Audit provides assurance on the Council's control environment based on the work undertaken and areas audited. Internal control is based upon an ongoing process designed to identify and prioritise risks and to evaluate the likelihood of those risks being realised and the impact should they arise. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure altogether. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

Strategic Risk Management Issues

6.4 Not applicable.

## **7 CONSULTATION**

Principal Groups Consulted

7.1 Not applicable.

Method of Consultation

7.2 Not applicable.

Representations Received

7.3 Not applicable.

Background Papers

Internal Audit Reports  
Annual Internal Plan 2011/12  
Contract Monitoring Records  
Quality Questionnaires  
NFI submissions  
CIPFA Code of Practice for Internal Audit  
Strategic Risk Register

Contact for further information

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