



Leeds
CITY COUNCIL

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Report of the Director of Corporate Services

Corporate Governance and Audit Committee

Date: 29 November 2006

Subject: The Half Year Internal Audit Report 2006-2007

Electoral Wards Affected:
None Specifically

Specific Implications For:

Equality and Diversity

Community Cohesions

Narrowing the Gap

Executive Summary

The Comprehensive Performance Assessment Auditor's Scored Judgment identifies the formal reporting of Internal Audit to Members as 'good' practice. The Accounts and Audit Regulations 2003 require internal audit to be conducted in accordance with proper practice. The Office of the Deputy Prime Minister (now DCLG) defines proper practices as those contained in the Code of Practice for Internal Audit in Local Government in the UK. This Code similarly requires internal audit to report formally to members.

The Half Year Internal Audit Report for 2006/2007 is therefore attached for members to receive.

1.0 Purpose Of This Report

1.1 This report brings to the attention of the Corporate Governance and Audit Committee those issues raised by Internal Audit in the half year annual report for 2006/2007.

2.0 Main Issues

2.1 There are a number of issues that are addressed in the annual report, all of which are in accordance with the Code of Practice. The following summarises the issues addressed by the report:

- An opinion on the internal control environment (based on the work done by Internal Audit during the year to date);
- Significant issues arising during the year;
- The performance of Internal Audit;

3.0 Implications For Council Policy and Governance

3.1 The terms of reference of the Corporate Governance and Audit Committee require the committee to consider the Council's arrangements relating to its internal audit arrangements including monitoring the performance of internal audit. The terms of reference also require the Committee to consider and determine the Councils arrangements relating to accounts including (a) the approval of the statement of accounts and any material amendment of the accounts (b) the approval of the Statement on Internal Control.

4.0 Legal and Resource Implications

4.1 None.

5.0 Recommendations

5.1 That Corporate Governance and Audit Committee receives the Half Year Internal Audit Report 2006/2007.