

ANGUS COUNCIL

**STRATEGIC POLICY COMMITTEE – 25 October 2005
AUDIT SUB-COMMITTEE – 20 October 2005**

INTERNAL AUDIT ANNUAL CORPORATE GOVERNANCE REPORT 2004-05

REPORT BY ACTING DIRECTOR OF FINANCE

ABSTRACT

This report presents the report of the annual internal audit of the Local Code of Corporate Governance

1. RECOMMENDATIONS

It is recommended that the Strategic Policy Committee and the Audit Sub-committee

- a) note the contents of the report
- b) provide any commentary considered appropriate at this time
- c) note the Chief Internal Auditor will follow up the report action plan and bring back the results to a future Audit Sub-committee.

2. INTRODUCTION

Report 675/05 to the Strategic Policy Committee of 21 June 2005 presented the Chief Internal Auditor's assurance statement for 2004-05 and indicated that the full corporate governance internal audit report would be placed before a future meeting of the committee. Attached at appendix I is a copy of the annual report for 2004-05 which has been agreed by Officers.

3 SUMMARY RESULTS

The report provides the detailed findings of the audit work conducted and provides the background to the Chief Internal Auditors assurance opinion presented in report 675/05. The report considers a number of strands of governance and notes that, while progress has been made, a number of areas still require to be taken forward to ensure full compliance with the Local Code.

The report considered in more detail the dimension of risk management and internal control and made a number of recommendations in relation to establishing review and reporting arrangements; provision of training in risk management and wider governance arrangements and reviewing arrangements for ensuring risk management is embedded in council operations.

Overall the report concluded that while there were still areas to be completed for full code compliance, the building blocks upon which the governance arrangements were based are sound.

A consolidated SMART action plan to take forward the recommendations was fully agreed by management.

4. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

5. HUMAN RIGHTS IMPLICATIONS

There are no human rights implications arising from this report.

8. CONSULTATION

The Chief Executive and Director of Law and Administration have been consulted in the preparation of this report.

Colin McMahon
Acting Director of Finance

NOTE: No background papers, as defined by Sections 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

JW 22/9/05