ABSTRACT

This report presents the Chief Internal Auditor’s annual report and independent assurance opinions in relation to both the overall corporate governance arrangements and internal controls for 2010-11.

1. RECOMMENDATIONS

It is recommended that the Sub-Committee note the contents of the attached report for 2010-11 and provide any commentary thereon.

2. BACKGROUND

2.1 The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom (2006) indicated the Chief Internal Auditor (CIA) must provide a written report to those charged with governance timed to support the Annual Governance Statement.

2.2 The above code also indicates the annual report should include an opinion on the overall adequacy and effectiveness of the internal control environment; present a summary of the audit work from which the opinion is derived (including reliance placed on others); draw attention to any issues the CIA judges relevant to the Annual Governance Statement and present quality and performance information in relation to the internal audit function.

2.3 In support of the overall governance arrangements of the Council, the Local Code of Corporate Governance requires that the CIA also provide assurances in relation to compliance, efficiency and effectiveness of the Local Code and I, as Head of Finance, require a specific opinion on the internal financial controls in support of my s95 duties.

3. CHIEF INTERNAL AUDITORS ANNUAL REPORT & ASSURANCES

The Chief Internal Auditor’s Annual Report (attached at Appendix I) provides the information and assurances in relation to the matters discussed in section 2.

Members are invited to note that in terms of overall corporate governance it is the Chief Internal Auditor’s opinion that although there is work to be completed for full compliance with the local code, the overall governance arrangements of the council are considered sound.

In addition to the overall corporate governance statement, the Chief Internal Auditor is also required to provide an independent opinion on the Council’s internal controls including financial controls. While some matters in relation to
Information Technology controls, assurance and compliance were raised, the Chief Internal Auditor has indicated that internal financial control arrangements and the framework within which the Council operates is generally sound.

4. **FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

5. **CONSULTATIONS**

The Chief Executive, all Directors and Head of Law & Administration have been consulted during the preparation of this report.

6. **HUMAN RIGHTS ISSUES**

There are no human rights implications arising from this report.

7. **EQUALITIES IMPLICATIONS**

The issues contained in the report fall within an approved category that has been confirmed as exempt from an equalities perspective.

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Ian Lorimer  
Head of Finance

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

Finance /JW  
2 June 2011