

**Acting Worcestershire Internal Audit Shared Services Manager's Opinion
on the Effectiveness of the System of Internal Control at Bromsgrove
District Council (the Council) for the Year Ended 31st March 2012**

1. Audit Opinion

- 1.1 The internal audit of Bromsgrove District Council's systems and operations during 2011/12 was conducted in accordance with the Internal Audit Annual plan which was approved by the Audit Board on 11th April 2011. The revised plan was considered by the s151 Officer and was compiled to reflect the requirements of the remainder of the year.
- 1.2 The Internal Audit function was set up as a shared service in 2010/11 and hosted by Worcester City, for 5 district councils. The shared service operates in accordance with the Institute of Internal Auditors Standards and the CIPFA Code of Practice 2006 and objectively reviews on a continuous basis the extent to which the internal control environment supports and promotes the achievement of the Council's objectives and contributes to the proper, economic and effective use of resources.
- 1.3 The Internal Audit Plan for 2011/2012 was risk based (assessing audit and assurance factors, materiality risk, impact of failure, system risk, resource risk fraud risk, and external risk) using a predefined scoring system. It included:
- a number of core systems which were designed to suitably assist the external auditor to reach their 'opinion' other corporate systems for example governance and
 - a number of operational systems, for example waste collection and s106's, were looked at to maintain and improve its control systems and risk management processes or reinforce its oversight of such systems.
- 1.4 A revised plan was necessary as planned targets were not met due to the impact on the service of long term sickness. The revised plan was considered by the s151 Officer and was compiled to reflect the requirements of the remainder of the year and ensuring that the 'high' and 'medium' priority audits were delivered.
- 1.5 Based on the audits performed in accordance with the approved revised plan, the Acting Worcestershire Internal Audit Shared Services Manager has concluded that the internal control arrangements during 2011/12 effectively managed the principal risks identified in the audit plan and can be reasonably relied upon to ensure that the Council's corporate objectives have been met.

- 1.6 In relation to the thirteen reviews that have been undertaken, ten audits have been completed and three are to be finalised. A further audit where Internal Audit has been able to take assurance from has been in respect of ICT and the work performed by the Audit Commission. In addition to the audit work undertaken during the year a lengthy investigation was also undertaken. Little work has been undertaken on risk during 2011/12 due to the Risk Management Steering Group being postponed or cancelled on a number of occasions.
- 1.7 As part of the process of assessing the Council's control environment, senior officers within the Council are required to complete an annual "Internal Control Assurance Statement" to confirm that the controls in the areas for which they are responsible are operating effectively. No areas of significant risk have been identified. Any concerns raised by managers will be assessed and addressed by the Authorities Corporate Management Team.
- 1.8 All of the completed audits have been allocated an audit assurance of either moderate or above meaning that there is generally a sound system of internal control in place, no significant control issues have been encountered and no material losses have been identified during a time of significant transformation and change.

Andy Bromage

Acting Worcestershire Internal Audit Shared Services Manager

May 2012