



Agenda item 6

REPORT TO: NWRWTP JOINT COMMITTEE

DATE: WEDNESDAY 20 FEBRUARY 2013

REPORT BY: HEAD OF FINANCE (FCC) AS TREASURER OF THE JOINT COMMITTEE

SUBJECT: INTERNAL AUDIT REVIEW

1.00 **PURPOSE OF REPORT**

1.01 To inform the committee of the internal audit work being undertaken in order to meet the statutory requirements for Joint Committees.

2.00 **BACKGROUND**

- 2.01 This paper follows on from the paper on the Statements of Accounts for the last four financial years. That paper makes clear that the NWRWTP needs to prepare year-end accounts. The size of the project means that it is above the threshold where a full set of annual accounts needs to be produced. These accounts must include an Annual Governance Statement (AGS).
- 2.02 With regards to auditing requirements, WAO have stated that a Joint Committee is a Council in its own right and all the normal rules and regulations apply. That means that the project needs to be the subject of internal audit review.
- 2.03 The regional CEOs and Heads of Finance have agreed on the principle that the responsibility for internal audit of regional collaborative projects should rest with the host / lead authority. There was already an informal agreement to that effect between Heads of Audit, but this formalises the arrangement. The responsibility for the internal audit of NWRWTP therefore lies with Flintshire County Council (FCC) Internal Audit department.
- 2.04 For the previous years accounts the Internal Audit department has provided information on the work completed within FCC and has contributed to the production of the AGS for 2011/12.
- 2.05 For the current year, 2012/13, Internal Audit has to provide an opinion on the adequacy and effectiveness of governance, risk management and internal controls during the year.

3.00 **CONSIDERATIONS**

3.01 The review of internal controls will form part of the annual review of FCC's accounting systems. A review of governance and risk



management is therefore necessary to provide assurance to the joint committee for 2012/13. This will also have the advantage of enabling Internal Audit to gain an overall perspective of the programme so that it will be possible to focus our work in particular areas in future years should that be necessary.

- 3.02 As time is short the review has already started. The scope has been agreed with Colin Everett as lead officer but should also be considered by the committee. Should the committee have any additional views or requirements they can be incorporated into the review.
- 3.03 It is intended to bring the final report on the audit review to the next joint committee meeting. The results will feed into the AGS for 2012/13 which will be brought to the committee along with the Annual Accounts.

4.00 RECOMMENDATIONS

- 4.01 That the committee considers the scope of the work being undertaken and approves / amends it as necessary.

5.00 FINANCIAL IMPLICATIONS

- 5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

- 6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

- 8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

- 9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

- 10.01 None as a result of this report.

11.00 CONSULTATION UNDERTAKEN

- 11.01 None as a result of this report.

12.00 APPENDICES



NWRWTP

North Wales Residual Waste Treatment Project

Appendix A – Internal Audit Assignment Planning Sheet (scope)

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 **BACKGROUND DOCUMENTS**

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