

**Acting Worcestershire Internal Audit Shared Services Manager's Opinion on the Effectiveness of the System of Internal Control at Redditch Borough Council (the Council) for the Year Ended 31<sup>st</sup> March 2011**

**1. Audit Opinion**

- 1.1 The internal audit of Redditch Borough Council's systems and operations during 2010/11 was conducted in accordance with the Internal Audit Annual plan which was approved by the Audit and Governance Committee on 20<sup>th</sup> April 2010 with a revised version being approved by the Audit and Governance Committee on the 24<sup>th</sup> January 2011.
- 1.2 From the 1<sup>st</sup> April 2010 the Internal Audit function did not meet the planned targets. This was due to additional demands of the Worcestershire Internal Audit Shared Service restructuring programme (for example, attendance at Worcestershire Internal Audit Shared Service management meetings), additional management and administrative activities and requested ad hoc investigations.
- 1.3 The Worcestershire Internal Audit Shared Service came into effect on 1<sup>st</sup> June 2010 and an interim review with the Section 151 Officer took into consideration the above factors and, based on risk, a revised plan was compiled to reflect the requirements for the remainder of the year.
- 1.4 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 2010/11 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.
- 1.5 In relation to the reviews that have been undertaken, 30 audits have been completed and 3 are to be completed and finalised. Additionally, a significant number of ad hoc reports have been issued. For example, in relation to various allegations of fraudulent activities.
- 1.6 Audit testing has verified that there is generally a sound system of internal control in place, although testing did identify some areas of weakness where Internal Audit could not provide full assurance regarding the control environment in place. These areas of weakness have been reported to management and the Council's Audit and Governance Committee. Action plans have been put in place to address identified weaknesses.

No material losses have been identified during a time of significant transformation and change.

- 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.
  
- 1.8 Although the returned statements indicate in a few areas that control requirements are only being partially met, they do not identify any areas that present a significant risk. Any concerns raised by managers will be assessed and addressed by the Authorities Corporate Management Team.

**Andy Bromage**

**Acting Worcestershire Internal Audit Shared Services Manager**

June 2011