

COMMITTEE:	SCRUTINY
DATE:	10 NOVEMBER 2003
SUBJECT:	INTERNAL AUDIT SERVICES – REVIEW OF ACTIVITIES AND PERFORMANCE
REPORT OF:	SUE MCHUGH, DIRECTOR OF FINANCE & CORPORATE SERVICES
Ward(s):	All
Purpose:	To provide a summary of the activities and performance of Internal Audit for the: <ul style="list-style-type: none"> · Financial year 1 April 2002 to 31 March 2003; · Period 1 April to 30 September 2003.
Contact:	Martin Freeman, Head of Audit, Telephone 01323 415136 or internally on extension 5136.
Recommendations:	To note the contents of this report.

1.0	<u>Background</u>	
1.1	<p>The Institute of Internal Auditors’ (IIA) August 2000 Position Statement on audit committees and internal auditors recommends that an organisation’s audit committee (or appropriate equivalent) should:</p> <p><u>“Focus on obtaining a clear understanding of internal audit activities, functions and organisational structure as well as ensuring that the planned programme of work is appropriate.”</u></p>	

1.2	<p>Furthermore, there is a requirement within the internal financial control framework of the Comprehensive Performance Assessment Indicators for internal audit to report formally to Members.</p>	
1.3	<p>On 16 April 2003, Council approved the addition of audit functions to the Scrutiny Committee terms of reference. In the accompanying report, Council were advised of the need to have a reporting mechanism through the scrutiny process for audit related matters that need to be kept apart from the remit of Cabinet. Cabinet previously fulfilled the remit of the Council's audit committee. The mechanism would be reporting to Scrutiny Committee who would then submit recommendations for decisions direct to full Council.</p>	
1.4	<p>The following wording as an addition to the Scrutiny Committee terms of reference was approved:</p> <ul style="list-style-type: none"> · Assessment of the proposed annual Internal Audit Plan; · Receipt of reports from Internal Auditors; · Monitoring the effectiveness of the Internal Audit function through periodically submitted performance measures set against the agreed annual plan; · Acting as a sounding board for the Head of Audit in considering potential intended audit investigations. 	
1.5	<p>The annual External Audit Letter is still submitted to full Council via Cabinet. Also, as with any other division, management of resource issues remains a function of the Cabinet. The audit role in respect of whistle-blowing issues remains a matter for the Standards Committee.</p>	

1.6	<p>In accordance with the best practice recommendations set out above together with the revision to the Council's Constitution, the following report has been written to provide a commentary on the activities and performance of the Internal Audit Service for the period 1 April 2002 to 30 September 2003.</p>	
1.7	<p>Members are reminded that any detailed discussion in open session of the conduct of audits, or the content of audit reports may disclose exempt information that should be dealt with in closed session.</p>	
2.0	<p>The Level of Internal Audit Service Provided</p>	

2.1	The Council has delegated responsibility for ensuring that statutory internal audit arrangements are in place to the Director of Finance and Corporate Services. These arrangements form a key element of the Council's corporate governance framework.	
2.2	The Director of Finance and Corporate Services provides Management with a level of Internal Audit Service covering the following:	

	<ul style="list-style-type: none">• The continuous appraisal and review of internal control systems and procedures to secure the efficient operation of the Council's affairs. Internal Audit provides objective examination, evaluation and reporting on the adequacy of internal controls as a contribution to the economic, efficient and effective use of resources.	
	<ul style="list-style-type: none">• A wide range of audits (including main financial systems, routine, contract and computer) to ensure that good standards of financial management are maintained and to ensure that decisions taken by Management are being complied with.	

	<ul style="list-style-type: none"> • A consultancy service in relation to performance review, value for money and fraud or irregularities, financial or otherwise. 	
	<ul style="list-style-type: none"> • Other services as determined by the Director of Finance and Corporate Services in meeting her statutory responsibilities. 	
2.3	<p>In addition to the above, Internal Audit are available to Management for carrying out special projects as determined by the client department and the Head of Audit, providing suitable staff and other resources allow.</p>	

2.4	<p>All audit reports include a recommendation action plan, which sets out the recommendations that have been made to enhance the level of control and to improve service delivery. Timescales for the implementation of recommendations are agreed with the relevant managers.</p>	
2.5	<p>The Operational Audit Plans for 2002-03 and 2003-04 are contained within the Division's rolling 4 year Strategic Plan. This was prepared after consulting senior officers and External Audit and was endorsed by Cabinet on 10 April 2002.</p>	
3.0	<p>Staff Resources</p>	
3.1	<p><u>Recruitment Campaigns</u></p> <p>-</p>	
3.1.1	<p>An Auditor was recruited internally with effect from 21 April 2003.</p>	

3.1.2	<p>Following this appointment, the Division has had a full complement of staff (4.2 FTE posts) and restored the Audit establishment to the level seen before the 1998 re-structure.</p>	
3.2	<p>Rotation of Staff</p>	
3.2.1	<p>One of the key challenges identified for the Best Value Review of Finance, was the "recruitment and retention of appropriately qualified and skilled staff, providing opportunities for career development and technical specialisation". In the Improvement Plan, which was approved by Council, a key action in response to this challenge was to "ensure that the sections remain appropriately staffed, in terms of numbers, grade, qualifications, training and experience". A number of implementation plans to achieve this were drawn up by the relevant Managers and included "in consultation with the staff encourage a policy of job rotation as an integral part of the annual staff development and appraisal scheme".</p>	
3.2.2	<p>In accordance with the above commitment to staff, a training and development opportunity has arisen whereby the Senior Auditor will move into Financial Management from the beginning of November on a 1 year secondment. This will provide an opportunity for her to see and work in the full range of Accountancy activities and will compliment her on-going professional studies.</p>	
3.2.3	<p>A recruitment campaign has recently been carried out to try and identify a suitable replacement for the Senior Auditor, however this has proved unsuccessful.</p>	

3.2.4	<p>At the time of writing the report a number of options are being considered as a matter of priority. Clearly the Senior Auditor is an important member of the team and so a replacement must be found as soon as possible if the Operational Audit Plan is to be substantially completed.</p>	
4.0	<p>Training</p>	
4.1	<p>Vocational Training</p>	
4.1.1	<p>Auditors have attended a number of training courses during the review period including:</p> <ul style="list-style-type: none"> · Report writing; · IT security and associated issues facing the Council; · An introduction to contract audit; · The tendering of contracts and drafting contract specifications; · Raising the profile of Internal Audit; · Embedding risk management workshop; · Introduction to Internal Audit; · Risk based auditing; 	

4.1.2	<p>Attendance at these courses has increased the team's knowledge of important current issues, resulted in improvements within the service and can be related directly to service and corporate objectives.</p>	
4.2	<p>Professional Qualifications</p>	
4.2.1	<p>CIPFA benchmarking exercises have highlighted a lower than average attainment of professional qualifications in the team. Whilst 4 members of the team have acquired the Association of Accounting Technician's professional qualification, there are no qualified accountants. This is now being addressed and from June 2003, 2 Auditors have attained the CIPFA Professional 1 Certificate. A Trainee Auditor has also commenced studying for the Association of Accounting Technicians professional qualification and in June 2003 passed the Foundation Stage. These long-term courses of professional study will significantly raise the qualifications of the Internal Audit function.</p>	

5.0	Internal Audit Activity – Financial Year 1 April 2002 to 31 March 2003	
5.1	Much of the planned work of Internal Audit is structured to gain assurance on the adequacy of internal controls. This section of the report provides a commentary on the work of Internal Audit across the Council during the 2002-03 financial year.	
5.2	<u>Routine Audits</u>	
5.2.1	Routine audits are undertaken on a rolling cyclical programme, with the frequency of review determined by an assessment of risk.	
5.2.2	The objective of routine audits is not only to discharge the Director of Finance and Corporate Services' legislative s151 responsibilities but also to provide an assurance to Management on the proper and effective administration of their area of responsibility.	
5.2.3	Routine audit assignments carried out during the 2002-03 financial year have covered services such as Coastline Caterers, Cavendish Sports Centre, the Sports Park, Tourist Information Centre, Seafront Gardens Contract, Elections and Electoral Registration, Building Control and Recruitment.	
5.2.4	Areas where improvements could be made have been identified during the assignments and where final reports have been issued Management has agreed to implement the recommendations made.	
5.3	<u>Computer Audit</u>	
5.3.1	Computer audits are concerned with reviewing and testing internal controls and data within systems. This forms an integral part of the audit of those computer systems to determine whether they are working properly. Furthermore, it makes use of information within computer systems for other purposes, for example data files that contain management information can be reviewed to ascertain if the Council is achieving its objectives efficiently.	
5.3.2	Computer audit reviews carried out during the year include GIS and Powersolve General Ledger.	
5.3.3	The team has also prepared an Internet Policy (see 9.2) and carried out extensive training on this subject.	

5.4	<u>Main Financial Systems</u>	
5.4.1	It should be noted that there have been recent developments in the approach to auditing the main financial systems. Previously this work had to be carried out within set time scales in order to assist External Audit in their work on the Statement of Accounts. However, in future Internal Audit work on the main financial systems (excluding that on the financial ledger) will be undertaken throughout the year.	
5.4.2	In their annual Audit Letter, External Audit confirmed that they continue to place reliance on Internal Audit coverage of the key financial systems for the purposes of their opinion on the Council’s financial statements. Within the CPA Auditor Scored Judgements, the Internal Audit Service was scored a maximum 4 (see 10.3). -	
5.4.3	Financial system reviews carried out during the year include Council Tax, Mortgages, Business Rates, Debtors, Bank Reconciliations, Payroll, Insurances, Financial Ledger and Creditors.	
5.4.4	The majority of key internal controls audited were found to be in place and functioning satisfactorily. Recommendations have however been made to improve the level of control and it is Management’s responsibility to ensure that these recommendations are implemented.	

5.4.5	Whilst no assurance can be absolute, on the basis of the work carried out by Internal Audit, it can be concluded that the Council has in place a satisfactory framework of internal control.				
5.5	<u>Special Investigations</u>				
5.5.1	58 days have been spent carrying out special investigations.				
5.5.2	Reports to Management have been issued on the findings of the investigations and where relevant recommendations made to strengthen internal controls and prevent repeat cases.				
6.0	<u>Internal Audit Coverage – 1 April 2002 to 31 March 2003</u>				
6.1	The table below summarises the actual audit coverage and planned total time across Council departments and other key areas of work.				
	Internal Audit Coverage – 1 April 2002 to 31 March 2003				
	Audit Activity	Planned Days	Actual Days	% Completed	

Finance & Corporate Services	85	69	81.2	
Tourism & Leisure	108	74	68.5	
Planning Regeneration & Amenities	28	14	50	
Housing Health & Comm. Finance	95	71	74.7	
Chief Executives	47	26	55.3	
New Developments	52	59	113.5	
Special Investigations	30	58	193.3	

	Risk Management	40	29	72.5	
	Best Value	30	20	66.7	
	Equality Objectives	-	2	-	
	Sussex Audit Group	14	11	78.6	
	Other Non-Chargeable Time	338	434	128.4	
	Totals	867	867	100	
6.2	<u>Analysis of Internal Audit Coverage</u>				
6.2.1	Despite the fact that the 2002-03 Audit Plan was not completed, the Division was still able to produce a significant portfolio of work as set out in Section 5.0 – Internal Audit Activity.				
6.2.2	Some of the reviews planned for last year, such as Historic Building Grants, Parks and Sports Pitches, Open Downland and Ranger, Farms, Conferences, Events and Attractions, Pest Control, Licensing, Phones, Press and Public Relations and Engineering Services were not carried out. This is because of important work Audit has carried out on a number of new corporate initiatives, a higher than anticipated number of special investigations and an increase in other non-chargeable time. The audit reviews not completed last year have been incorporated in the 2003-04 Operational Audit Plan.				

6.2.3	Risk management work has increased significantly following the launch of the service and financial planning process. Up to 31 March 2003, 29 days had been spent working on risk management. This work has included periodic meetings with Heads of Service to review risks, creation and maintenance of the corporate risk assessment log and ongoing training.	
6.2.4	A higher than forecast amount of time has been required in carrying out a number of time consuming special investigations. It is worth noting that this trend has been repeated at other Councils across Sussex and looks set to continue. The new Whistleblowing Guide may also lead to increased audit work in carrying out special investigations.	
6.2.5	No time was allocated to Equality Objectives (see 9.6 below) during the initial 2002-03 audit planning process.	
6.2.6	Other non-chargeable time, i.e. annual leave, sick leave, training and administration have exceeded that set out in the original plan. This is because of the additional on-the-job training and associated administration required in establishing the new team.	
7.0	Internal Audit Activity – 1 April to 30 September 2003	
7.1	<u>Routine Audits</u>	

7.1.1	Work in relation to Pest Control, Taxis and Private Hire Licences, Central and Mobile Phones, Press and Public Relations, Concessionary Fares, Land Charges, Hampden Park Sports Centre, Development Control, Housing Repairs, Willingdon Trees Community Centre and the Sale of Council Houses has been carried out during the first half of 2003-04. A number of these reports have been issued in draft with replies awaited from Management.	
7.2	<u>Computer Audit</u>	
7.2.1	Eastbourne Theatres have purchased a new Box Office Computer System. A post implementation review of the new system has recently been completed and a draft report issued to Management.	
7.3	<u>Main Financial Systems</u>	
7.3.1	Main financial system reviews undertaken include Benefits, Cash Receipting and Loans and Investments.	
7.4	<u>Special Investigations</u>	
7.4.1	32.4 days have been spent carrying out special investigations.	
8.0	<u>Internal Audit Coverage – 1 April to 30 September 2003</u>	
8.1	The table below summarises audit coverage to date and planned total time for the Council's departments and other key areas of work.	
	Internal Audit Coverage – 1 April to 30 September 2003	

	Audit Activity	Planned Days	Days to Date	% Completed	
	Finance & Corporate Services	60	32.8	54.7	
	Tourism & Leisure	84	25.4	30.2	
	Planning Regeneration & Amenities	46	12.9	28	
	Housing Health & Comm. Finance	148	63.4	42.8	
	Chief Executives	44	22.2	50.4	
	New Developments	70	62.8	89.7	

	Special Investigations	45	32.4	72	
	Risk Management	50	15.4	30.8	
	Best Value	20	4.6	23	
	Equality Objectives	14	0.9	6.4	
	Sussex Audit Group	14	1.8	12.9	
	Other Non-Chargeable Time	497	273.2	55	
	Totals	1092	547.8	50.2	
8.2	<u>Analysis of Internal Audit Coverage</u>				

8.2.1	During the first half of the financial year, 547.8 days were delivered or 50.2% of the Audit Plan. This is in line with the original forecast.	
8.2.2	The second half of the financial year will see particular focus on the completion of planned departmental assignments.	
8.2.3	Risk Management work will increase over the coming months with the annual Service and Financial Planning cycle.	
8.2.4	Work on Best Value will increase in the second half of the year through the Head of Audit's membership of the Project Board for the Best Value Review of Tourism Development.	
8.2.5	A higher than forecast amount of time has been required in carrying out special investigations. If this trend continues then the 45 days originally allocated will be exceeded.	

8.2.6	<p>A higher than forecast amount of time has been required for new developments such as the Information Security Policy. If this trend continues then the 70 days originally allocated will be exceeded.</p>	
8.2.7	<p>Other non-chargeable time, i.e. annual leave, sick leave, training, administration is broadly in line with the original forecast. Nevertheless, attempts will be made to reduce the amount of time spent on administration etc. during the remainder of the year.</p>	
9.0	<p><u>Internal Audit Activity in New Developments</u></p>	
9.1	<p>Audit has carried out work on the following developments.</p>	
9.2	<p><u>Internet Policy and Information Security</u></p>	
9.2.1	<p>An Internet Policy has been written setting out clear guidelines governing the use of e-mails and Web access. The Head of Audit and Computer Auditor have been involved in an extensive training programme across the Council to raise awareness of issues surrounding electronic communications. A significant amount of time has been dedicated to this training and other associated electronic communication issues during the review period.</p>	
9.2.2	<p>Also of note is the work carried out during the period on IT security with the ultimate goal being the implementation of an Information Security Policy in compliance with ISO17799, the Code of Practice for the Management of Information Security.</p>	
9.2.3	<p>In the light of the serious disruption to EBC business caused by the recent winblaster infection, an IT Security Forum has been established to review the Council's security arrangements and prioritise improvements. Membership of the Forum includes the Head of Audit and the Computer Auditor.</p>	
9.3	<p><u>Anti-Fraud and Corruption Policy</u></p>	

9.3.1	The Anti-Fraud and Corruption Strategy has been revised. The new Policy, approved by Council in September 2002, is designed to encourage prevention, promote detection and identify a clear avenue for investigation in relation to fraud and corruption issues.	
9.3.2	In addition, a Whistleblowing Guide has been written to encourage staff and others with serious concerns about unlawful conduct, financial malpractice or dangers to employees, the public or the environment to come forward and voice those concerns.	
9.3.3	The Anti-Fraud and Corruption Policy and Whistleblowing Guide identify that the Council has put in place procedures to assist in the prevention, detection and investigation of fraud and corruption. Consequently the protection of public funds and assets has been strengthened.	
9.3.4	The Head of Audit presents a session on the Induction Programme for new employees on the Policy and in particular whistleblowing.	
9.4	<u>Financial and Contract Procedure Rules</u>	
9.4.1	The Head of Audit was a member of the small working groups charged with reviewing the Council's Financial and Contract Procedure Rules. Council approved the new Rules on 30 July 2003.	
9.4.2	The Head of Audit is a member of the Council's Procurement Team that has been set up to ensure that key officers receive guidance and support throughout procurement exercises.	
9.5	<u>E-government</u>	
9.5.1	The Government's Modernising agenda provides an opportunity for innovation in service delivery through electronic communication. However there are significant risks of fraud and misuse of information associated with electronic service delivery and the move towards paperless systems. In view of this the Head of Audit and the Computer Auditor are members of various e-government working groups. The Division is therefore well placed to consider and provide advice on the audit implications of future electronic service delivery. This work will continue to evolve and expand, particularly in the area of e-procurement, e-tendering and digital signatures.	
9.6	<u>Equality Objectives</u>	

9.6.1	<p>Audit involvement in the equality programme is secured through the Head of Audit's membership of the Corporate Equality Planning Group, providing advice on the self-assessment process and the preparation of service impact assessments. The Head of Audit is also the Equality Representative for the Finance and Corporate Services Department.</p>				
9.7	<p><u>Performance Indicators for Internal Audit</u></p>				
9.7.1	<p>Managers within the Finance and Corporate Services department have developed a set of performance indicators to monitor whether good quality services are being delivered to the rest of the organisation. The table below shows the indicators developed for Internal Audit together with the first half-year's results. They have been designed to provide assurance that the Audit team is completing their work in accordance with the needs of their clients, promptly and to a high standard of work.</p>				
9.7.2	<p>The proposal is to distribute the performance information on a quarterly basis both electronically and in hard copy (for circulation within teams) incorporated into a departmental newsletter. Furthermore, it is anticipated that this will be a discussion item at all departmental management team meetings so that we can obtain feedback on performance issues.</p>				
<p>Internal Audit Performance Indicators</p>					
	<p>KPI</p>	<p>Description</p>	<p>Target</p>	<p>Actual</p>	
	<p>1</p>	<p>Percentage of draft audit reports produced within 10 working days of completion of fieldwork.</p>	<p>95%</p>	<p>100%</p>	
	<p>2</p>	<p>Percentage of final audit reports produced within 10 working days of receipt of all responses to the draft report.</p>	<p>95%</p>	<p>100%</p>	

	3	Use of client satisfaction surveys to produce scoring based on the quality of audit staff, including auditors' understanding of tasks to be completed, advance notice of work to be undertaken, communication and people skills.	75%	87.5%	
	4	Use of client satisfaction surveys to produce scoring based on the quality of audit reviews undertaken, including completion of tasks, disruption of work, value added and recommendations.	75%	80.4%	
	5	Percentage of audit reviews completed within day allocation within the Audit Plan.	85%	40%	
9.7.3	Performance against client satisfaction targets is very positive and reflects both the quality of work completed and its focus on client needs.				
9.7.4	We have exceeded our aims in four out of five areas. Only 40% of audit work has been achieved within the day allocation allotted. The days are allotted prior to the commencement of the Audit and can be subject to variation. During the course of the Audit additional testing may be required to provide assurance to Managers that systems work adequately. This is an area that we are striving to improve.				
9.8	<u>Other New Developments</u>				
9.8.1	Other work on corporate initiatives has included the development of a new corporate authorised signatory list and petrol allowance scheme.				
10.0	<u>Corporate Governance</u>				
10.1	<u>Risk Management</u>				
10.1.1	Effective risk management is needed to enable the Council to deliver its key business objectives and has a vital role to play in ensuring that the organisation is well run.				

10.1.2	The link between Audit and risk management as systems for controlling risks has been recognised and the Head of Audit is now responsible for leading on risk management issues.	
10.1.3	The arrangements in place within the Council to manage risks will, amongst other things, minimise the costs of damages, help to prevent damage to property and equipment, reduce the likelihood of injury to the public and employees and help to avoid litigation and bad publicity.	
10.1.4	<p>Good recent examples of this are:</p> <ul style="list-style-type: none"> · The work carried out by the Estates Division on ad-hoc land; · Work carried out by the IT and Audit Divisions on producing an Information Security Policy; · The production of a Financial Strategy; · The production of a Whistleblowing Guide for staff; · New Contract and Financial Procedure Rules; · Comprehensive procurement guidance for staff; · The adoption by the Council of the Prince2 project management methodology for major projects; · The commissioning of a feasibility study to inform the decision on investment in major e government IT systems. 	
10.1.5	The Council has achieved the top score of 4 for its risk management arrangements from External Audit in their CPA Auditor Scored Judgements (see 10.3).	

10.2	<u>Code of Corporate Governance</u>	
10.2.1	At the meeting on 5 December 2002, Cabinet was informed that the Council had not carried out a formal review of its corporate governance arrangements and that it did not have a code of corporate governance. The report highlighted that this review was a priority for the Council if it was to avoid criticism of its corporate governance arrangements.	

10.2.2	It was recommended that a corporate governance review be started in 2003 based upon the CIPFA and SOLACE guidance and framework. It was further recommended that the review be lead by the Head of Audit because of his existing and complimentary roles in leading on internal audit and risk management, and because of his ability to beneficially network with other organisations across Sussex.	
10.2.3	This review has now been started and will illustrate the Council's approach to corporate governance, evidence of compliance with good practice and the actions proposed in further strengthening the Council's arrangements. It is proposed that the review document form the Council's Code of Corporate Governance.	
10.2.4	Internal Audit has also contributed to the development of the Statement of Internal Financial Control that will form part of the Statement of Accounts for 2002-03.	
10.3	<u>CPA Auditor Scored Judgements</u>	
10.3.1	As part of the Comprehensive Performance Assessment for the Council our External Auditors assess various aspects of our financial management, legal and audit arrangements. The scores they give for these areas form part of the overall CPA assessment. The final scores for the Council have now been received and are set out in the table below.	
	CPA Auditor Scored Judgements	
	Current Performance Area	Score
	Overall Financial Standing	4
	Overall Internal Financial Control, including:	4

	- Monitoring of Financial Systems	4
	- Internal Audit Service	4
	- Risk Identification and Management	4
	Standards of Financial Conduct and the Prevention and Detection of Fraud and Corruption, including:	4
	- Ethical Framework	4
	- Corporate Governance Arrangements	4
	- Treasury Management	4
	- Prevention and Detection of Fraud and Corruption	4
	Overall Financial Statements	3
	Overall Legality of Significant Financial Transactions	4
10.3.2	The Council has achieved the top score (4) in all but one category and the top score overall.	
11.0	<u>Future Reporting</u>	

11.1	The audit committee is an important feature of the Council's corporate governance arrangements and an effective way to receive assurance about the adequacy of internal controls and the performance of services. It is therefore proposed that the Committee receives and considers information on the following topics in future reports:	
	· The assurance ratings allocated to services following audit reviews. Assurance is measured using two criteria, an appraisal of the control of the system in operation and a review of the findings;	
	· A summary of Internal Audit work carried out since the last report plus current status;	
	· The executive summaries of reviews undertaken;	
	· A chronological summary of Internal Audit reports awaiting departmental response to address any evident problems;	
	· The adequacy of management response to Internal Audit advice and recommendations.	
11.2	In order to ensure that Committee Members are kept up to date with the work of Internal Audit, it is further proposed that Members receive an electronic copy of all Final Audit Reports.	
12.0	<u>Consultations</u>	
12.1	The Internal Audit Plan is subject to consultation with senior officers across the Council and the External Auditor.	
13.0	<u>Human Resource, Environmental, Financial, Youth and Anti-Poverty Implications</u>	

13.1	There are no specific human resource, environmental, financial, youth or anti-poverty implications as a result of this report. However, the work of Internal Audit embraces all of the services provided by the Council and therefore has the potential for far reaching implications.	
14.0	<u>Summary</u>	
14.1	This report provides details of the activities and performance of the Internal Audit Service for the period 1 April 2002 to 30 September 2003.	
Martin Freeman Head of Audit		
Background Papers: The Background Papers used in compiling this report were as follows: <ul style="list-style-type: none"> · Report to Cabinet 10 April 2002 on the Audit Plan 2002 to 2006 · Report to Cabinet 5 September 2002 on the Anti Fraud and Corruption Policy · Report to Cabinet 5 December 2002 on Corporate Governance and Financial Reporting Arrangements · Report to Cabinet 10 April 2003 on the Audit Plan 2003 to 2004 · Best Value Review of Finance Improvement Plan · Comprehensive Performance Assessment Auditor Scored Judgements To inspect or obtain copies of background papers please refer to the contact officer listed above.		
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