

MEETING:	AUDIT AND GOVERNANCE COMMITTEE
DATE:	23 AUGUST 2011
TITLE OF REPORT:	ANNUAL INTERNAL AUDIT PLAN - 2011/12
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

The purpose of this report is to seek the Audit and Governance Committee's approval of the Annual Internal Audit Plan - 2011/12.

Key Decision

This is not a Key Decision.

Recommendation

THAT

- (a) **Subject to any comments the Annual Internal Audit Plan - 2011/12 is reviewed and approved.**

Key Points Summary

- The draft Annual Internal Audit Plan - 2011/12 is set out in Appendix 1.
- The draft Annual Internal Audit Plan - 2011/12 has been reviewed and agreed by the HPSLT.

Alternative Options

- 1 There are no alternative options as this is a requirement of the Audit and Governance Code.

Reasons for Recommendations

- 2 This is a requirement of the Audit and Governance Code.

Introduction and Background

- 3 Preparation and adoption of the Annual Internal Audit Plan represents best practice as required by the CIPFA Code of Practice of Internal Audit in Local Government (2006) and the document is an integral part of the Council's internal control assurance process. Under its terms of reference the Audit and Governance Committee is required to review and approve the Annual Internal Audit Plan.

Key Considerations

- 4 The CIPFA Code of Practice for Internal Audit in Local Government (2006) states that "The Head of Internal Audit should prepare a risk-based audit plan designed to implement the audit strategy".
- 5 The Annual Internal Audit Plan (attached at Appendix 1) is a risk based plan that takes account of the Council's key issues and objectives. This plan has been compiled through discussions with the Chief Officer (Finance and Commercial Services), input from the HPSLT, Internal Audit's knowledge of the Local Government sector, a desk top review of key documents such as the Council's risk registers and a review of findings from previous internal audits.

Financial Implications

- 6 There are no financial Implications.

Legal Implications

- 7 Under the Accounts and Audit Regulations 2003 (as amended) established that the Council shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to Internal Control.
- 8 In addition under Section 151 of the Local Government Finance Act 1972 the Chief Officer – Finance and Commercial (as Section 151 Officer) is responsible for ensuring that proper arrangements exist for the management of the Council's financial affairs. An adequate and effective Internal Audit function which is led by a robust Internal Audit Plan is fundamental to the fulfilment of that responsibility.

Risk Management

- 9 There is the risk that the Annual Internal Audit Plan does not take into account the key issues and risks facing the Council and does not provide adequate coverage of the Council's key systems for the Head of Internal Audit to form an opinion on the Council's control environment. The process by which the plan has been compiled mitigates this risk.

Appendices

Appendix 1- Annual Internal Audit Plan 2011/12