

AUDIT AND GOVERNANCE COMMITTEE

27 November 2009

INTERNAL AUDIT SERVICES – CONSULTATION FOR AUDIT PLAN 2010/2011

Report of the Director of Financial Resources

1. Purpose of Report

- 1.1 As part of the review of the Committee's remit and effectiveness it was agreed that the head of internal audit would consult with members of the Committee regarding the following year's internal audit plan, at an earlier stage than has been the case previously. The consultation is to take place during this meeting of the Committee and this report explains the proposed approach.

2. Background

- 2.1 The regulatory framework which governs the role of internal audit in local government is as follows:
- The Local Government Act 1972 (S151) requires that *"every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs"*.
 - The Accounts and Audit Regulations 2003 (S6) (as amended) requires the Council to 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 internal audit practices, these being set out in the CIPFA Code of Practice for Internal Audit in Local Government.
- 2.2 The Audit Charter states that the prime objective of Internal Audit Services is to provide assurance to the Council in relation to its internal control environment and assist management in delivering the objectives of the Council through assessing exposure to risk and recommending, where appropriate, practical improvements to the control environment.
- 2.3 Given the context above, Internal Audit need to focus their work on the key / major risks facing the Council when formulating the Internal Audit Plan.

3. Approach

- 3.1 The head of internal audit will make a short presentation to members of the Committee explaining the approach to formulating the annual Internal Audit Plan and the information that is considered. Members will then be asked to discuss the key / major risks, drawing on their deliberations of issues at their previous meetings and their knowledge of the Council generally. The head of internal audit will then consider the issues raised when formulating the Internal Audit Plan for 2010/2011.