

Subject: Internal Audit Annual Plan 2010/11 **Status:** For Publication

Report to: Audit and Accounts Committee **Date:** 15th March 2010

Report of: Head of Internal Audit

Portfolio

Holder: Finance and Resources

Key Decision: No

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

1.1 The Audit Committee's terms of reference require it to advise the council on the planned activity and results of internal audit. The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 states the audit committee is required to approve, but not direct, the internal audit plan.

2. CORPORATE PRIORITIES

2.1 The matters discussed in this report impact directly on the following corporate priorities:-

- Delivering quality Services to our customers
- Providing value for money services

3. RISK ASSESSMENT IMPLICATIONS

3.1 All the issues raised and the recommendations in this report involve risk considerations as set out below:

- Failure to comply with the CIPFA Code of Practice for Internal Audit in Local Government in the production of an annual plan would undermine confidence in the unit and its ability to provide the Authority with the necessary level of assurance in relation to their business risks.
- The plan enables the Leader and Chief Executive to report in the Annual Governance Statement.
- The plan ensures the council is able to progress in matters of Financial Management and therefore improve its scoring in the Use of Resources assessments and ultimately the Comprehensive Area Assessment.

4. BACKGROUND AND OPTIONS

- 4.1 Appendix A sets out the plan of work to be undertaken by the Authority's internal audit service for the 2009/10 financial year.
- 4.2 The plan is intended to provide assurance to the Chief Executive and Leader of the Council who are jointly required to sign the Annual Governance Statement, which is published with the financial statements.
- 4.3 Regulation 4 of the Accounts and Audit Regulations 2003 (amended) requires that:

“The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes risk management arrangements.”

The responsibility for maintaining and reviewing the system of internal control and for implementing a system of risk management clearly rests with the Authority. However the process by which the Annual Governance Statement is made includes obtaining assurances on the effectiveness of key controls and, in practice, these will be substantially drawn from the work of internal audit as well other assurances available to the Authority.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

- 5.1 Any financial implications are commented upon in the report.

6. MONITORING OFFICER

- 6.1 Any legal implications are commented upon in the report.

7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

- 7.1 No Human Resource implications.

8. CONCLUSION

- 8.1 The plan is therefore largely focused on an assessment of the risks to the achievement of the Authority's objectives, and the provision of assurance that the actions planned to mitigate these risks are adequate and effective.

9. RECOMMENDATION(S)

- 9.1 Members are asked to approve the internal audit annual plan for the period 1 April 2010 to 31 March 2011.

10. CONSULTATION CARRIED OUT

10.1 RBC Senior Management Team, Heads of Service (relevant to the individual audit review) and the Audit Commission.

11. COMMUNITY IMPACT ASSESSMENT

Is a Community Impact Assessment required No

Is a Community Impact Assessment attached No

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

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Background Papers	
Document	Place of Inspection
Accounts and Audit Regulations 2003 (amended) – Statutory Instrument	Financial Services
Accounts and Audit Regulations 2003 (amended) – Guidance	Financial Services
Code of Practice for Internal Audit in Local Government in the United Kingdom, CIPFA 2006	Financial Services
Local Government Act 1972 (Section 151)	Financial Services