

AGENDA ITEM

Audit Committee

DATE: 18th MARCH 2008

INTERNAL AUDIT PLAN 2008/2009

Paul Slocombe - Director Of Resources

PURPOSE OF REPORT

1. To present to Members a plan of work to be completed by Internal Audit in financial year 2008/2009. The plan is based upon Internal Audit's assessment of the Council's audit need. It is designed to provide the Audit Committee with assurance that the Council's framework of internal control is effective and support the Committee's review of the Annual Governance Statement.

BACKGROUND

Annual Audit Plan 2008/2009

3. The annual audit plan sets out how Internal Audit resources will be deployed between assurance, consultancy and fraud related work. It supports the strategy for delivering the Internal Audit Service and the scope of the work aims to provide all interested parties with an overall opinion on the Authority's governance, internal control processes and risk management. It records audit assignments and work areas to be covered in achieving the requirements of the Accounts and Audit Regulations and CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006.
4. To use scarce audit resources effectively best practice dictates that they are focused on areas that represent the greatest risk to the Authority. The scope of Internal Audit coverage has been determined having regard to:
 - the content of Corporate and Service risk registers
 - listing of key critical services (and associated IT system) defined to assist Business Continuity Management Planning

- the outcome of discussions with Heads of Service
 - the Internal Audit Section's own views on areas of material risk not identified by other means
5. For each area included in the plan, a risk level has been identified. The vulnerability of each auditable area has been assessed using a technique, which considers and scores identified threats. The scores take into account the Council's risk management process as well as result of previous audits and changes introduced by services to enhance internal controls.
 6. To ensure the work of Internal Audit remains focused on the risks facing the Council, work areas will be re-assessed throughout the year to determine their continued appropriateness in the light of any emerging threats and vulnerabilities.
 7. Attached at Appendix A is the proposed Audit Plan for 2008/2009. It contains audits to ensure that sufficient work is undertaken to enable production of an opinion about the adequacy and effectiveness of governance, risk and internal control. The content of the plan has been discussed with Heads of Service and amended where appropriate to take their views into account.
 8. Members will receive regular summary reports on the outcomes of audits undertaken. From these reports they will be able to determine progress against the Internal Audit Plan.
 9. Completion of the Audit Plan is subject to adequate and appropriate resources being available throughout the year.

FINANCIAL CONSIDERATIONS

10. None.

RECOMMENDATIONS

14. That the Annual Audit Plan for financial year 2008/2009 be approved

REASONS

15. The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 recommends that the Audit Committee approve, but not direct, the Audit Plan.
16. The report is a key component of the assurance framework. Its purpose is to inform Members of the work of the Internal Audit Section for Financial year 2008/2009
17. To provide scrutiny of the Internal Audit Function

BACKGROUND PAPERS

- Code of Practice for Internal Audit in Local Government in the United Kingdom 2006
- Annual Strategic Plan 2005/2006 – 2007/2008
- CIPFA Guide to Audit Committees in Local Government
- Corporate and Directorate Risk Registers

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