

## AUDIT COMMITTEE

A meeting of the Audit Committee was held on 11 March 2009.

**PRESENT:** Councillor Clark (Chair), Councillors Brunton (as substitute for Councillor Taylor), C Hobson and Majid.

**OFFICERS:** B Baldam, S Harker and D Robinson.

**\*\*AN APOLOGY FOR ABSENCE** was submitted on behalf of Councillor Taylor.

### **\*\* DECLARATIONS OF INTEREST**

No Declarations of Interest were made at this point of the meeting.

### **\*\* MINUTES**

The minutes of the meeting of the Audit Committee held on 8 December 2008 were taken as read and approved as a correct record.

## **INTERNAL AUDIT PLAN 2009/2010**

The Audit Manager presented a plan of work to be completed by Internal Audit in the financial year 2009/2010. The Internal Audit Plan 2009/2010 was based on Internal Audit's assessment of the Council's audit need. It was designed to provide the Committee with assurance that the Council's framework of internal control was effective and support the Committee's review of the Annual Governance Statement.

A copy of the Internal Audit Strategy was attached at Appendix A to the submitted report and had been used to inform the development of the Audit Plan. The Internal Audit Strategy was consistent with Internal Audit objectives and had been revised to include the work performed in certifying grant claims and the section that addressed resources had also been updated. Work on certifying specific grant claims was now being undertaken by internal rather than external auditors and was more cost effective.

The annual Internal Audit Plan set out how Internal Audit resources would be deployed between assurance, consultancy and fraud related work. The Plan supported the strategy for delivering the Internal Audit Service and the scope of the work aimed to provide all interested parties with an overall opinion on the Council's governance, internal control processes and risk management. The Plan recorded 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.

In order to ensure that audit resources were used effectively, best practice dictated that they were focussed on areas that represented the greatest risk to the Council. The scope of the Internal Audit coverage had 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.
- Previous audit plans.
- Recent issues from other public sector organisations.

A risk level had been identified for each area included in the Plan. The vulnerability of each area that could be audited had been assessed using a technique that considered and scored identified threats. The scores took into account the Council's risk management process as well as the results of previous audits and changes introduced by services to enhance controls.

To ensure the work of Internal Audit remained focussed on the risks facing the Council, it was noted that revisions to the Plan might be necessary during the year to ensure that it continued to focus on areas of control. Any such revisions would be discussed and reported in line with agreed protocols.

A copy of the proposed Internal Audit Plan 2009/2010 was attached at Appendix B to the submitted report. The Plan contained audits to ensure that sufficient work was undertaken to enable production of an opinion about the adequacy and effectiveness of governance, risk and internal control.

The content of the Plan had been discussed with Heads of Service and their views taken into account. The Audit Manager highlighted several items in the Plan in each service area and indicated the risk category, number of days and the proposed scope and coverage of the audit. It was noted that some assignments were undertaken on a cyclical basis, some were in response to management requests, and others were follow-ups to ensure that previous recommendations had been implemented.

Regular summary reports on the outcomes of audits undertaken would be provided to the Committee to enable Members to determine progress against the Plan. Revisions to the Plan brought about by the need to accommodate unforeseen work, vacancies and sickness, would be reported to the Committee on a quarterly basis.

The Internal Audit Plan 2009/2010 was influenced by the resources available for internal audit work. A careful balance had to be achieved in terms of keeping costs to a realistic level whilst recognising that there was a minimum level of coverage that must be undertaken to ensure that the external auditors could be satisfied that an adequate amount and quality of audit work was being performed. Completion of the Internal Audit Plan was subject to adequate and appropriate resources being available throughout the year.

**RECOMMENDED** that the Audit Strategy and Annual Plan for the financial year 2009/2010 be noted.