

**INTERNAL AUDIT SERVICE
CHANGING REPORTING PERIODS**

(Report by the Audit & Risk Manager)

1. INTRODUCTION

- 1.1 Internal Audit annual plans have historically been prepared around the financial year (April to March). This report proposes that the audit year is changed to August/July, so that the reporting of the delivery of the audit plan and associated reports fits more closely to the governance reporting timetable.

2. REPORTING PERIODS

- 2.1 A core set of reports are required to be presented to the Panel over a twelve month period. In particular the annual internal report and opinion is reported to the September meeting in order to coincide with the Corporate Governance Statement. This report considers the audits that have taken place in the 12 months to the end of July. It therefore seems illogical to continue with two separate audit plan years – April to March for administrative purposes and August to July for corporate governance purposes. It is therefore proposed that the audit plan year is changed so that it covers the period August to July.
- 2.2 Thus the September report will report on audit achievement for the year and an interim report on progress will be reported to the March meeting covering the half year from August to January.
- 2.3 Annex A outlines an amended reporting timetable. If the proposals are agreed, minor changes will be required to the audit strategy to reflect these amended timings.
- 2.4 The external auditor has been consulted over the proposed changes and has raised no objections.

3. EXTENDING THE 2007/08 AUDIT PLAN

- 3.1 If it is agreed that the audit plan should cover the period August to July, then it is proposed that the current 2007/08 audit plan be 'extended' by four months to run to July 2008. The additional audits will be reported to the Panel's March meeting and then the audit year proposals for August 2008 to July 2009 will be reported to the June meeting.

4. DELIVERY OF THE 2007/08 AUDIT PLAN

- 4.1 Progress in delivering the 2007/08 plan up to the end of July was included in the September report. Since then progress has been good and the March meeting will receive the first half-year monitoring report based on the "new" year – August 2007 to January 2008.
- 4.2 Electronic copies of all completed reports are available to Members on the Internal Audit intranet home page.

5. RECOMMENDATION

It is recommended that:

- the audit plan year be based on August to July.
- an audit plan for the 4 months ending July 2008 be presented to the March meeting of the Panel
- the Internal Audit Strategy should be amended to reflect this change

BACKGROUND INFORMATION

Internal audit strategy

Internal audit & assurance plan 2007/08

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Audit & Risk Reports to the Corporate Governance Panel

Report to be submitted	Reporting period to be covered	2008				2009				2010
		March	June	Sept	Dec	March	June	Sept	Dec	March
AUDIT PLAN										
2007/08										
Audit Plan extension	April 2008 to July 2008	✓								
½ year audit progress report	August 2007 to January 2008	✓								
Annual audit report & opinion	August 2007 to July 2008			✓						
2008/09										
Annual Audit Plan 2008/09	August 2008 to July 2009		✓							
½ year audit progress report	August 2008 to January 2009					✓				
Annual audit report and opinion	August 2008 to July 2009						✓			
2009/10										
Annual Audit Plan 2009/10	August 2009 to July 2010						✓			
½ year audit progress report	August 2009 to January 2010									✓
ANNUAL REVIEWS										
Review of internal audit's terms of reference			✓				✓			
Annual Review of the effectiveness of Internal Audit			✓				✓			
Anti-fraud & corruption policy review					✓				✓	
Whistleblowing policy review					✓				✓	
UPDATES										
Risk Management update		✓		✓		✓		✓		✓
		March	June	Sept	Dec	March	June	Sept	Dec	March