

**INTERNAL AUDIT SERVICE:  
INTERNAL AUDIT PLAN  
(Report by the Audit & Risk Manager)**

**1. PURPOSE**

- 1.1 To comment on the internal audit plan for the 12 month period commencing August 2009. The plan is attached at Annex A.

**2. STRATEGIC AND ANNUAL PLANNING**

- 2.1 The Audit and Risk Manager is required, by the 2006 CIPFA Code of Practice for Internal Audit, to provide an opinion on the overall adequacy and effectiveness of the Council's control environment. This opinion assists the Chief Executive and this Panel when they are reviewing elements of the assurance framework and preparing the Council's annual assurance statement. The work that is undertaken to allow the Audit & Risk Manager to form his opinion is governed, in the main, by the annual audit plan.
- 2.2 The Internal Audit Service maintains a four year strategic audit plan, listing all the risk and system areas that are considered likely to affect the Council's internal control environment. The strategic plan shows the relative importance of each risk and system area and the frequency with which it should be audited. Risks recorded in the risk register have been included in the strategic plan. This has led to a number of audit areas being combined so that audits can address common risk themes across services, rather than be conducted on a service by service basis.
- 2.3 To prepare the annual audit plan, the strategic plan is first reviewed and audits placed in priority order. The highest priority schemes which can be delivered within the resources available are then included in the annual audit plan which, following the comments of this Panel, will be approved by the Director of Commerce and Technology.

**3. RESOURCING THE AUDIT PLAN**

- 3.1 The total days required to complete the four year strategic plan exceeds available resources by 115 days (29 days per year). This shortfall is not felt significant enough to impact on the breadth of internal audit coverage provided or the level of assurance that the Panel will be able to take from the Audit & Risk Manager's annual opinion statement each year.
- 3.2 It is expected that significant staffing changes will occur during 2009/10 which will impact on the plans for 2009/10 and 2010/11. The changes will reduce the number of days available to deliver the plan and are the reason for the resource shortfall across the strategic plan period.
- 3.3 Consideration has already been given as to how these changes will be managed. If it appears likely that the annual plan will not be completed or the four year shortfall will significantly increase, a further report will be presented to the Panel to explain the affect this will have on the annual audit opinion statement.

#### **4. RECOMMENDATION**

- 4.1 That the Panel note the annual audit and assurance plan for the 12 month period commencing August 2009.

#### **ACCESS TO INFORMATION ACT 1985**

Strategic Audit Plan

The Council's Risk Register

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