

meeting **AUDIT COMMITTEE**

date **17 MAY 2011**

agenda item number **7**

## **REPORT OF THE SERVICE DIRECTOR (FINANCE)**

### **INTERNAL AUDIT PLAN 2011/12**

#### **Purpose of the Report**

1. To inform Members of the proposed Internal Audit Plan for the 2011/12 financial year.

#### **Information and advice**

2. The attached Audit Plan sets out the proposed coverage of the Authority's systems and procedures for the period 2011/12. This is the second year of a 3 year Strategy. The Plan represents the Section's assessment of the key areas that need to be audited in order to satisfy the Authority's statutory responsibility to undertake an adequate and effective internal audit of its accounting records and its system of internal control. In addition, it sets out the Internal Audit work necessary to meet corporate, departmental and contractual requirements during the year.
3. The role of Internal Audit is to provide management with an objective assessment of whether its systems and controls are working properly. It provides an independent and continuous appraisal of the Authority's, and other clients', activities and in particular focuses on the internal controls established by the organisation's managers. The Section's aim is to complete the programme of planned work in order to express an overall view on the adequacy and effectiveness of the Authority's and other clients' internal control systems. This will then inform the Annual Governance Statement.
4. The Plan has been compiled in accordance with the CIPFA Code of Practice for Internal Audit in Local Government and proposes an audit coverage as shown in the table below.

Table 1: Summary of Internal Audit Plan for 2011/12

Department	Days	Number of Audits			
		High Risk	Med Risk	Low Risk	Total
Children, Families and Cultural Services	655	11	62	-	73
Adult Social Care, Health and Public Protection	280	10	6	-	16
Environment and Resources	680	18	18	2	38
Policy, Planning and Corporate Services	140	5	3	1	9
Special Projects	200				
<b>Total County Council</b>	<b>1955</b>	<b>44</b>	<b>89</b>	<b>3</b>	<b>136</b>
External Clients	180				
<b>Overall Total</b>	<b>2135</b>				

5. As can be seen from the above, a total of 2135 days are planned for 2011/12 of which 1955 (92%) will be spent on the Authority's systems and procedures. The remainder, 180 days will be spent on external contracts, generating anticipated income of over £45,000. In addition, schools will be charged for their audit coverage in 2011/12 and this will generate further income of approximately £70,000.

### **Statutory and Policy Implications**

6. The Local Government Act 1972 requires, in Section 151 that the Authority appoint an officer who is responsible for the proper administration of the Council's financial affairs. Section 6 of the Accounts and Audit Regulations (England) 2011 require Local Authorities to undertake an adequate and effective internal audit of their accounting records and system of internal control. The County Council has delegated the responsibility to maintain an internal audit function for the Authority to the Service Director (Finance).

### **Financial Implications**

7. There are no direct financial implications arising from this report. The net cost of the Internal Audit Section for 2011/12 is estimated to be approximately £344,000.

### **Equal Opportunities Implications**

8. There are no equal opportunities implications within this report.

**Crime and Disorder Implications**

9. None

**RECOMMENDATION**

10. That Members note the Internal Audit Plan for 2011/12.

**ALAN SUMBY  
SERVICE DIRECTOR (FINANCE)**