

Committee: Performance & Audit Committee

Agenda Item

Date: 15 February 2012

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Title: Internal Audit Work Programme 2012/13

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Item for information

Summary

1. The purpose of this report is to present to Members the details of the proposed Internal Audit work areas for 2012/13.

Recommendations

2. That Members note the proposed Internal Audit work areas for 2012/13 and consider any additional areas for Internal Audit work during in 2012/13.

Financial Implications

3. None. There are no costs associated with the recommendations.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

The Revised Internal Audit Work Plan 2010/11

Impact

- 5.

Communication/Consultation	The Internal Audit Work Programme 2012/13 referred to in this report has been agreed with Corporate Management Team at its meeting 01 February 2012
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none

Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

Situation

6. Internal audit is part of the Council's corporate governance framework. Corporate governance is defined as the system by which local authorities direct and control their functions. The requirement for adequate and effective Internal Audit is statutory for all local authorities. In 2011/12 we changed from the traditional method of linking audit coverage to a five year strategic work plan to a rolling programme of risk based internal audit work to meet changing requirements and resources during the year.

Internal Audit Work Areas 2012/13

7. The rolling programme of Internal Audit work for 2012/13 will subject to regular review and updating half-yearly and at any other time if necessary.
8. The 2012/13 audit work is risk based ; our priorities for audits are:
 1. Audits carried forward from the 2011/12 plan and any overdue audits from the strategic plan
 2. Corporate & Divisional Plans / Risk Registers – highest risks;
 3. Key Financials – previously these have been agreed in advance with the Audit Commission, however future External Auditor requirements unknown at this stage;
 4. Internal Audit identified high risk areas;
 5. Specifically requested risk areas or services.
9. The available audit days have been calculated on the resources of:
 - 1 x Audit Manager
 - 1 x FT Internal Auditor
 - 1 x 0.67 FTE Internal Auditor (permanent appointment w.e.f. 01/04/12)
10. The corporate and operational areas currently under consideration for audit work throughout 2012/13 are detailed at Appendix A.
11. Once Corporate & Directorate Plan Actions & Risks 2012/13 are confirmed and External Audit requirements are known; the Internal Audit work programme for the first 6-months of 2012/13 will be agreed with the Corporate Management team.
12. It is proposed that an agreed 2012/13 Internal Audit work programme for the first 6-months of 2012/13 be presented to the next meeting of this Committee along with the Internal Audit Strategy 2012/13

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
The Council does not provide for an adequate and effective internal audit function	1 Internal Audit function is an integral part of the Council	3 Statutory requirement, adverse External Auditor comment	Strategic audit plan approved by Senior Officers and Members, reconciled to available audit resource
The External Auditors are unable to rely on the work of Internal Audit	1 Managed Audit Agreement	3 Financial and reputational risks	Managed audit status and Joint Working Protocol ensure audit coverage is agreed
The Council's audit environment changes and available audit resource is no longer sufficient	2 No spare capacity if unforeseen long term absence of staff	2 Review of audit plan leading to reduction of audit coverage. Potential shared / joint working agreements with neighbouring authorities	Regular monitoring and highlighting potential shortfall

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.