

By: The Head of Audit & Risk  
To: Governance & Audit Committee – 5 March 2008  
Subject: Internal Audit Plan – 2008/2009  
Classification: Unrestricted

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**Summary:** This report provides information on the Internal Audit planning process and outlines a proposed Audit Plan for 2008/09

## **FOR DECISION**

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### **INTRODUCTION**

1. This report outlines the Internal Audit planning process and asks Members to approve the proposed Internal Audit Plan for 2008/09.

### **BACKGROUND**

2. In accordance with the requirements of the Accounts and Audit Regulations 2006, internal audit strategy should deliver reasonable assurance to all interested parties, on the Authority's overall governance, risk management and internal control processes. The strategy requires an annual plan which;
  - 1) Provides Members, the Chief Executive, the Council's Managing Directors and other senior managers with an overall opinion on the status of the Authority's governance arrangements, including internal control and risk management
  - 2) Supports the Council's officer who is nominated with fulfilling obligations under Section 151 of the 1972 Local Government Act and the Accounts and Audit Regulations, to ensure that the County Council operates safe and efficient financial and management information systems
  - 3) Audits the Authority's risk management, control and governance arrangements in a way that takes full account of the Authority's objectives and risks

- 4) Aims to improve the Authority's risk management, control and governance arrangements by providing line management with practical recommendations arising from audit work
- 5) Delivers an audit service that meets standards of performance and quality as laid down in the CIPFA Code of Practice for Internal Audit in Local Government
- 6) Draws on effective co-operation with External Auditors and other review bodies
- 7) Contributes to the Annual Governance Statement (AGS).

### **INTERNAL AUDIT PLANNING**

4. In 2007, the previous Head of Audit and Risk reported on the proposal and the work undertaken to improve the internal audit planning process. This work included the 'mapping' of the Authority's business objectives, risks and controls. This enabled Internal Audit to assign a score to both the inherent and residual risk and identify areas where management believe there to be a high level of control in place (ie where the risk score between the inherent and residual has been reduced the most). A proportion of Internal Audit's 2008/09 plan will provide assurance that the controls the Council have implemented to address these key risks are not only effective, but are also operating in practice. This assurance activity then forms a fundamental component of the Annual Governance Statement.

Other internal audit activity includes;

- 1) Providing assurance, as required, to the Section 151 officer
- 2) Work to address specific management requests
- 3) Fraud and irregularity work, including proactive fraud work and fraud awareness training, investigations and National Fraud Initiative (NFI) work
- 4) Follow up work
- 5) Work to provide Advice and information on key initiatives throughout the year.

## **RECOMMENDATION**

5. Members are asked to approve the proposed 2008/09 plan for Internal Audit as attached in the Appendix.

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