

Audit Committee

Meeting to be held on 21 March 2011

Electoral Division affected: None

Audit Plan 2011/12

(Appendix 'A' refers)

Contact for further information:

Ruth Lowry, (01772) 534898

Executive Summary

This paper sets out the plan of work to be undertaken by the county council's internal audit service for the coming financial year. The plan amounts to a total planned resource of **2,780 audit days**.

Appendix 'A' sets out the audit plan in more detail and explains the audit resources available to the audit service.

Recommendation

The committee is requested to consider and approve the audit plan for 2011/12.

Background

The council is required by regulations to conduct a review at least once in a year of the effectiveness of its system of internal control and to prepare a statement on internal control in accordance with proper practices. The Society of Local Authority Chief Executives and Chartered Institute of Public Finance and Accountancy have jointly determined that the preparation and publication of an annual governance statement, published with the financial statements, is necessary to meet this statutory requirement (although the scope of the governance statement is wide, incorporating consideration of internal control and risk management as well as other aspects of governance).

The same regulations require the findings of this review to be considered by a committee of the council – the Audit Committee – or else by the council as a whole.

The responsibility for implementing, maintaining and reviewing the system of internal control rests with the council, but the process by which the effectiveness of its system of internal control is reviewed, and the governance statement is made, includes obtaining assurances on the effectiveness of key controls. In practice, these assurances will be substantially drawn from the work of internal audit.

The audit plan is therefore focussed on providing these assurances to the chief executive and leader of the council who are jointly required to sign the annual governance statement.

Consultations

In deriving this plan the internal audit team has:

- Considered the county council's corporate and individual directorate/ service risk registers;
- Met the senior management teams of the county council's directorates to discuss their risks and related controls; and
- Made its own assessment of the risks facing the county council.

The information derived from these consultations has been incorporated into the audit plan.

The basis on which the plan has been prepared, and specifically the risk-based approach and our approach to the audit of corporate systems, has been discussed and agreed with the Audit Commission.

Advice

Not applicable.

Alternative options to be considered

Not applicable.

Implications: e.g. Financial, Legal, Personnel, Human Rights, Crime and Disorder or Other

The cost of the audit service has been incorporated into the Authority's budget and is managed by the head of internal audit through the devolved financial management scheme.

**Local Government (Access to Information) Act 1985
List of Background Papers**

Paper	Date	Contact/ Directorate/ Ext
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Reason for inclusion in Part II, if appropriate

Not applicable