

Audit Committee

Meeting to be held on 26 March 2012

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| Electoral Division affected: All |
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Internal Audit Service: Audit Plan 2012/13

(Appendix 'A' refers)

Contact for further information:

Ruth Lowry, (01772) 534898, County Treasurer's Group

ruth.lowry@lancashire.gov.uk

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 **2,800 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 2012/13.

Background and Advice

The council is required by The Accounts and Audit (England) Regulations 2011 ('the 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 (incorporating consideration of internal control and risk management as well as other aspects of governance).

The regulations also 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 plans and budget reports;
- 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 as the council's external auditor.

Implications:

Risk management

This report supports the Audit Committee in undertaking its role, which includes advising the Council on the adequacy of the organisation's strategic risk management processes.

Financial

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/Tel |
|---|------|---|
| The Accounts and Audit (England) Regulations 2011 | 2011 | Ruth Lowry, County Treasurer's Group, Phone extension 34898 |
| Reason for inclusion in Part II, if appropriate | | |
| N/A | | |