

Report to: Audit Committee

Date: 25 June 2007

Report of: Head of Internal Audit & SDT

Report No:

Contact Officer: John Midlane

Tele No: 331620

Report Title: Internal Audit Plan 2007/08

**Confidential /
Non Confidential:**

(**Non-Confidential**) This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose:

To allow Audit Committee to consider the draft internal audit plan for 2007/08

Recommendations:

Audit Committee is asked to agree the internal audit annual plan for 2007/08

Background Doc(s):

Draft Internal Audit Plan 2007/08

1. BACKGROUND:

All principal local authorities subject to the Accounts and Audit Regulations 2003 (amended 2006) should make provision for internal audit in accordance with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006.

As an independent review function Internal Audit has a crucial role to play in securing and maintaining standards by carrying out a detailed cyclical review of the authority's systems and processes, supplemented by a programme of establishment visits and probity checks.

The Internal Audit function is one of the five areas of assurance within the authority which contribute to the Statement on Internal Control (SIC). Every year the Head of Internal Audit is required to give an opinion on the "overall adequacy and effectiveness of the organisation's internal control environment" This opinion is based upon the planned work undertaken during the year

2. INTERNAL AUDIT ANNUAL PLAN 2007/08:

The basis cycle of internal audit work assumes that every activity of the authority will be reviewed every three years. In addition Internal Audit coverage within the authority is based on issues highlighted in the corporate risk assessment process supplemented by a more detailed assessment of risk, which evaluates each audit area on the basis of three factors:

- Materiality
- Inherent risk
- Internal control risk.

Close liaison with customers and the council's risk register ensures that key strategic areas which are identified in the Corporate Business Planning Process (CBPP) are covered.

Internal Audit has a strong working relationships with the authority's external auditors, KPMG, and they place reliance on the work that internal audit does on reviewing key financial systems. The plan therefore includes a number of days to review these areas.

Based upon the process described above a draft plan has been produced for 2007/08, this is attached as an appendix to this report. A summary of the draft plan is shown below:

Assurance Work:	
Key Financial Systems	172
Children's Services	595
Adults Services	187
Environmental Services	228
Development & Regeneration	74
Corporate Resources	74
Legal & Democratic Services	64
Chief Executive's	
Performance	75
Computer	199
Contracts	135
Cross Cutting Reviews	95
Contingency	209
Fraud Work:	70
External Clients:	290
Management & Support:	947
TOTAL DAYS	3414

The draft plan can be resourced from the available resources within the section.

Internal audit activity against the plan will be monitored during the year and reports brought back to Audit Committee.

3. RECOMMENDATIONS:

Audit Committee is asked to approve the internal audit annual plan for 2007/08.