

## **DRAFT Internal Audit Annual Plan 2009/10**

### **AUDIT COMMITTEE**

Date: 21<sup>st</sup> April 2009

**Author: Head of Internal Audit**

**Wards Affected: None**

#### **Purpose**

To present the draft Internal Audit Annual Plan (2009/10) for approval by the Audit Committee.

#### **Recommendations**

- That the Audit Committee approves the draft Internal Audit Plan for 2009/10.

### **1 Reasons**

- 1.1 To ensure that the Internal Audit plan reflects the priorities identified by the Audit Committee and the Council.

### **2 Detail**

- 2.1 Internal Audit is a statutory requirement under the Accounts and Audit (Amendment) (England) Regulations 2006.
- 2.2 The Head of Internal Audit has put together a draft risk-based Internal audit plan for 2009/10 (see appendix 1). The plan has been produced on the basis of:
  - Ensuring that there is adequate coverage of the Council's governance arrangements and key systems of internal control in order to provide assurance to the Leader and Chief Executive when certifying the Annual Governance Statement, and to the Council's Audit Committee.
  - Ensuring that the Director of Finance's Section 151 (Local Government Act 1972) requirements are met.
  - Ensuring compliance with the requirements of the Accounts and Audit (Amendment) (England) Regulations 2006.
  - Risks identified to the Council meeting it's key objectives identified in the Corporate Risk register are covered.
  - The requirements of External Audit, in particular in relation to the audit of the Council's main financial systems.
  - Group Director/Director priorities.
  - Priorities identified by Internal Audit.
  - Additional Corporate Governance issues including anti-fraud and corruption work.
  - Certification work including the Local Area Agreement, BVPIs, Streets for Living and SCITT audits etc.

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- A contingency has also been allowed for investigation work, follow-up work and advice and consultancy.
- 2.3 Meetings with the Chief Executive, all Group Directors and Heads of Finance were held in order to identify their priorities for Internal Audit over the coming financial year. All senior management teams were also consulted.
- 2.4 The draft plan has been split in to four main sections:
- *Corporate Risk Register* – part of the audit plan is based on examining the controls that are in place to mitigate the strategic risks identified in the Corporate Risk Register.
  - *Managed Audits* – these are the audits that External Audit would expect to be carried out in order for them to place reliance on the Council's statement of accounts. These include the Council's main financial systems e.g. Payroll, Creditors, Debtors etc. as well as other significant feeder systems in to Oracle such as SWIFT and TASK.
  - *Director/Audit priorities* – these are the audits identified by Group Directors and Directors as priority areas and those identified by Internal Audit.
  - *Corporate Governance* – includes all the anti-fraud and corruption work and the certification audits, PIs etc.

### Alternative Options

Not Applicable

#### **Risk Management**

##### *Financial and Procurement Implications*

- There is no financial implication to this report as the annual audit plan has been aligned to available resources. Audits that will not be covered due to available resources are detailed in Appendix 2.

##### *Legal/Human Rights Implications*

- Internal Audit is a statutory requirement of the Accounts and Audit (Amendment) (England) Regulations 2006. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

##### *Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)*

- Internal Control, Audit Committee and the Statement on Internal Control all feature significantly in the CPA Use of Resources Assessment. Effective systems of internal control within the Council will help to ensure that the objectives set out in the Corporate Plan and Swindon 2010 are achieved.

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#### **Consultees:**

The Director of Finance (Section 151 Officer) and the Director of Law and Democratic Services (Monitoring Officer) are consulted on all reports.

Chief Executive

Group Directors

All Directors

Heads of Finance

The Council's External Auditor: The Audit Commission

#### **Appendices / Background papers**

Appendix 1 – Draft Annual Internal Audit Plan: 2009/10 (*to follow*)

#### **Key Decision/Decision in Forward Plan**

Not Applicable