

AUDIT & GOVERNANCE COMMITTEE

29th March 2012

Report of the Head of Internal Audit Services

INTERNAL AUDIT STRATEGY AND PLAN 2012-2013

EXEMPT INFORMATION

None

PURPOSE

To advise Members of the proposed Internal Audit Strategy and Plan for 2012-13, to provide members with assurance on the appropriate operation of Internal Audit.

RECOMMENDATION

That the Committee endorses the attached Internal Audit Strategy and Plan 2012-13 and raises any issues it deems appropriate.

EXECUTIVE SUMMARY

Internal Audit provides a statutorily-required independent and objective opinion to the organisation on the control environment (comprising risk management, control and governance). It does this by evaluating the control environment's effectiveness in helping to achieve the organisation's objectives. Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

The consideration and approval of an appropriate Internal Audit Strategy and Plan by Members is an important element in providing assurance to the organisation that adequate arrangements are in place to provide the expected independent, objective opinion.

In accordance with good practice, the Head of Internal Audit Services has consulted relevant senior managers, to ensure current and proposed developments/projects and risks are identified, and has built these into an evaluation of the priority of the different potential areas for audit review. A proposed Audit Plan for 2012-13 is thus attached. The Audit Plan constitutes the main operational delivery of the Internal Audit service as part of its Internal Audit Strategy, which in turn sets out how the service proposes to meet statutory and professional requirements; the Strategy is also attached as Appendix A.

Members will recall that the Committee's Terms of Reference include the function to "receive, but not direct, internal audit's strategy and audit plan."

This report aims to provide members of the Committee with such an opportunity.

RESOURCE IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS

If a thoroughly risk-assessed, adequately-resourced audit plan is not in place the authority will fail to comply with statutory requirements and will not be able to provide the appropriate assurance on the internal control environment. Internal Audit has reviewed the risks to the effective delivery of its functions and has in place appropriate steps to ensure delivery.

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

Angela Struthers ex 234

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix A – Internal Audit Strategy and Audit Operational Plan 2012-13

Appendix B – Audit Reporting Protocol

Appendix C – Internal Audit Plan 2012/13