
ANNUAL AUDIT PLAN FOR 2008/09

1 SUMMARY

- 1.1 The 2008/09 Annual Audit Plan is presented to Members for their consideration and approval.

2 INTRODUCTION

- 2.1 Under section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2003 (As amended), Internal Audit is responsible for ensuring that the Council has a proper system of Internal Control. This is achieved by carrying out a risk-based audit programme in a professional, independent manner, to provide the Council with an opinion on the level of assurance it can place upon the internal control environment, and to make recommendations to improve it.

3 AUDIT PLAN

- 3.1 The proposed 2008/09 Audit Plan (The Plan) is attached within Appendix 1. The plan balances the following requirements:-
- The need to ensure core financial systems are adequately reviewed to provide the assurance that management has in place proper arrangements for financial control (upon which External Audit will place reliance).
 - The need to appropriately review other strategic and operational arrangements such as partnerships.
 - The need to consider effectiveness of controls in place in areas judged as high risk in the Divisional Risk Registers.
 - The need to be able to contribute time towards specific value for money projects, as agreed with managers and/or service review work.
 - The need to have a contingency available for unplanned issues that may arise over the course of the year.

Preparation of the Audit Plan

- 3.2 The core financial systems are identified by External Audit and account for 30% of the Audit Plan. The Strategic & Partnership Management Team has already identified a rolling programme of partnership reviews. Heads of Service have been contacted for their specific audit requirements and the assurance framework determines a level of coverage needed for corporate governance work.
- 3.3 The Divisional Risk Registers have been reviewed with very few risks being rated as high. Therefore some assurance work will be undertaken to

determine the effectiveness of the controls identified for some medium rated risks. These audit projects will be targeted specifically at the area of risk and are not intended to be audits of the relevant end-to-end operational process.

Resources

- 3.4 The Audit and Performance Management team consists of six staff, two of which are part-time. The resources allocated to the Audit Plan do not include the two performance officers who have their own work plan but do include an element of the Audit & Performance Manager's time. Due to the nature of performance management work and audit work there are times when resources and information are shared between the two areas. Unless there is a particular staff shortage then the time tends to even out across the year.
- 3.5 The Audit Plan has been based on the assumption that we will have a full complement of staff for the year. The allocated number of available days has been determined after deducting time for training and administration.

Reporting

- 3.6 The progress of the Audit Plan is monitored throughout the year and reported to Members every six months. If there were to be a need for material changes to the plan (ie, affecting over 20% of the planned assignments) a revised plan will be re-submitted to the Audit Committee for approval. Members will also be advised of performance against the Audit Plan and on relevant indicators under the performance management framework.

4 RISK IMPLICATIONS

- 4.1 If Internal Audit section is under resourced there is a risk that assurance cannot be given on the Council's Systems. The Audit Plan must reflect a fair cover of the key financial areas of the Council plus those areas that are high risk.
- 4.2 Due to the limit on resources there is always a risk associated with not covering all systems of internal control within the Council.

5 RECOMMENDATION

- 5.1 It is proposed that the Committee **RESOLVES** to agree the 2008/09 Audit Plan.

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Background Papers:-

None.

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