

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

7th July 2011

REPORT OF THE ASSISTANT CHIEF EXECUTIVE - PERFORMANCE

INTERNAL AUDIT STRATEGY AND PLAN

July 2011 to March 2012

1. Purpose of Report.

1. To present to Members the Council's Internal Audit Strategy and Plan for the nine months July 2011 to March 2012.

2. Connection to Corporate Improvement Plan / Other Corporate Priority.

- 2.1. Internal Audit's work impacts on all of the Corporate Improvement Plan/other corporate priorities.

3. Background

- 3.1. It is important for Internal Audit to plan effectively to ensure that they contribute to the Council's objectives at both strategic and operational levels. Planning enables Internal Audit to demonstrate both internally and externally that they are making best use of scarce resources.
- 3.2. Effective planning is one of the Standards contained within the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 and against which our external auditors assess us. It is from this overall assessment of internal audit's annual programme of work and the contribution that this makes to the overall control environment of the Authority that our external auditors will draw the necessary assurances they need.
- 3.3. Internal Audit has recently joined forces with the Vale of Glamorgan Council's Internal Audit Section under a shared service arrangement. As a result of this sharing of resources it has been necessary, in this transitional year, to align the audit plans. Bridgend CBC Internal Audit Plan at present covers the period July to June whereas the plan for the Vale of Glamorgan Council's Internal Audit Section covers the period April to March which is aligned to the financial year. As the intention is to maximise the joint resources and to utilise just one management information system (APACE), the Bridgend plan has been formulated to cover a period of nine months and thereby aligning it to the financial year.
- 3.4. During the planning process, Internal Audit has reviewed the most recent Council Improvement Plan and taken into account the plans of our external auditors (KPMG) and Wales Audit Office (WAO) inspectors. The Chief Internal Auditor has provided Directors with copies of the plan for their respective areas.
- 3.5. Finally the audit areas identified as part of this process were risk assessed, utilising the in built risk assessment matrix within the APACE system. This identifies all the high risk areas which should be reviewed during the year.

4. Current situation / proposal

4.1. The 2011/12 Audit Strategy and nine month plan of work has been formulated to ensure compliance with the Standards as contained within the Code of Practice. In order to keep Members of the Audit Committee fully informed, and to ensure compliance with CIPFA's Code of Practice for Internal Audit a detailed Strategy and plan is attached at Appendix 1.

4.2. Internal audit planning is not an exact science but it is felt that that the strategy and plan for 2011/12 presented in **appendix 1** strike a good balance between the risks identified, the internal audit resources available and the assurance work being carried out by other agencies.

5. Effect upon Policy Framework& Procedure Rules.

5.1. There is no effect upon the policy framework and procedure rules

6. Equality Impact Assessment.

6.1. There are no equality issues.

7. Financial Implications.

7.1. There are no financial implications as a result of this report.

8. Recommendation.

8.1. Members consider and approve the Internal Audit Strategy and Plan as outlined in this report.

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Background Documents

None