

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE 25th April 2012

REPORT OF THE ASSISTANT CHIEF EXECUTIVE - PERFORMANCE

INTERNAL AUDIT PROPOSED PLAN April 2012 to March 2013

1. Purpose of Report.

1. To present to Members the Council's Internal Audit proposed Plan for the year April 2012 to March 2013.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities.

- 2.1. Internal Audit's work impacts on all of the Corporate Improvement Objectives /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. 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 proposed plan for their respective areas.
- 3.4. 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 2012/13 proposed annual 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 plan is attached at Appendix A. The Audit Committee should have regard to the fact that this is a proposed plan as consultation with Directors is still ongoing. Any changes to this

proposed plan will be brought before the Audit Committee at its next meeting in June 2012.

4.2. So far, discussions with Directors have proved very constructive and Internal Audit have been able to take into consideration most of management's views on coverage and timing.

4.3. Internal audit planning is not an exact science but it is felt that the proposed plan for 2012/13 strikes 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 in principle the proposed Annual Audit Plan as outlined in this report.

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12th April 2012

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Background Documents

None