

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

4th October 2012

REPORT OF THE ASSISTANT CHIEF EXECUTIVE - PERFORMANCE

INTERNAL AUDIT STRATEGY AND ANNUAL AUDIT PLAN

April 2012 to March 2013

1. Purpose of Report.

1. To present to Members the Council's Internal Audit Strategy and Annual Audit 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.

4. Current situation / proposal

- 4.1. The 2012/13 Annual Audit 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 Plan has been based upon six main areas of audit coverage across Directorates these encompass Assurance, Corporate Governance, Performance Management, Risk Management, Anti-Fraud & Corruption and Contingency.
- 4.2. A draft Annual Audit Plan was presented to the Audit Committee for approval on 26th April 2012 (minute number 267). However, at the time of submission the Internal Audit Strategy was incomplete and Directorate consultation was ongoing.
- 4.3. Therefore, attached at Appendix B is the Internal Audit Strategy document for 2012-13. It demonstrates how the Internal Audit Section will be delivered and developed in accordance with our Terms of Reference and how it links to the Council's objectives and priorities. The Strategy will be reviewed and updated

annually in consultation with stakeholders namely the Audit Committee, Corporate Management Board, External Auditors and senior management.

4.4. 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. Therefore the plan provides for 1,475 productive days being delivered during 2012/13 which equates to approximately 9 full time equivalent employees and has been discussed in detail with all relevant Senior Managers.

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 Annual Audit Plan for 2012/13 as outlined in this report.

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4th October 2012

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Background Documents

None