

**Meeting:**                   **AUDIT COMMITTEE**

Portfolio Area:           Resources

**Date:**                    **21 March 2007**

**INTERNAL AUDIT PLAN 2007/08**

**NON-KEY DECISION**

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**1       PURPOSE**

To provide Members with details of the internal audit plan for 2007/08.

**2       RECOMMENDATIONS**

Members endorse the internal audit plan for 2007/08.

**3       BACKGROUND**

Annual internal audit coverage is traditionally linked to a rolling strategic audit plan. The plan ensures all services are reviewed on a cyclical basis. The frequency with which services are audited within this cycle is dependant on the result of a risk assessment and being reconciled to available audit resource.

Senior officers were consulted on the plan earlier this month. This is to ensure ownership of this particular aspect of the Council's corporate governance framework. It is therefore submitted to the Audit Committee for endorsement.

**4       REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

The attached plan was drafted by following the convention outlined above. However, provision of an adequate level of internal audit is governed by legislation and a Code of Practice. Following consultation with the Council's Strategic Management Board, the attached plan will ensure annual coverage of key financial areas, coverage of medium risk areas every other year and less frequent coverage of low risk areas. The audit coverage is delivered through The Stevenage & Uttlesford Audit Partnership.

It should be noted that there are six audits from the 2006/07 audit plan that have been deferred. These are:

- Concessionary Fares
- Services for Elderly People
- Waste Management
- Environmental Services
- the second of the 2006/07 IT audits
- Leisure.

These audits will be kept under review but it may be necessary to cancel them. The respective areas are due to be revisited within the rolling plan in either 2007/08 or 2008/09.

It should also be noted that the Plan reflects coverage of additional areas of work. These are:

- an interim review of performance indicators
- an internal audit of benefit fraud
- coverage of new IT systems development and major upgrades
- internal audit of Risk Management
- internal audit of Procurement.

These additional requirements have put pressure on the Audit Plan and the ability to balance the overall requirement with available resources. Planned resources are currently available to deliver the plan, but there is now little scope to cover special investigations if they arise. The available resources and progress against the Plan will be kept under close review. Strategic Management Board has asked for an update report at the end of the first quarter and updates will also be provided to this Committee.

## **5 IMPLICATIONS**

There are no direct implications specific to this report.

## **BACKGROUND DOCUMENTS**

- None.

## **APPENDICES**

- The audit plan for 2006/07 – 2010/11 is attached.