

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

06 April 2006

Report of the Director of Finance

Part 1- Public

Delegated

1 INTERNAL AUDIT PLAN 2006/07

Summary

This report informs Members of this Committee of the Internal Audit Plan for 2006/07 and a change to a three year strategic plan. Members are asked to review the plan and to consider its coverage for the forthcoming year.

1.1 Background

- 1.1.1 The approach to Internal Audit planning is undertaken in accordance with the standards set out in the CIPFA Code of Practice for Internal Audit in Local Government 2003. This approach requires a risk based approach to be adopted in order to arrive at a strategic and operational audit plan.
- 1.1.2 The Accounts and Audit Regulations 2003, state that authorities must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices”.
- 1.1.3 The last strategic plan was prepared as a five-year plan in 2002/03. This plan was a risk based plan concentrating on financial risks. Since that time there has been an increased emphasis for internal audit to consider all risks. Taking this into consideration and the frequently changing inspection requirements of Local Government it is considered that a shorter term approach to planning is required.
- 1.1.4 The Code of Practice suggests strategic plans should last between 3-5 years. It is considered that a 3 year plan is appropriate. A one year operational plan is extracted from the three year plan. The plan is attached as **[Annex 1]**.

1.2 Plan Objectives

- 1.2.1 The plan is designed to meet the requirements of the Accounts and Audit Regulations 2003 and comply with the CIPFA Code of Practice for Internal Audit in Local Government 2003.
- 1.2.2 It is intended to cover the areas of significant risk and for the auditor to gain sufficient evidence of the adequacy of internal controls in place to be able to

provide an assurance level. This assurance level is communicated to Management and Members.

1.3 Legal Implications

1.3.1 As previously stated the Director of Finance has a statutory duty to ensure that internal audit meets the requirements of the Accounts & Audit Regulations 2003. It is considered that this plan will meet those requirements.

1.4 Financial and Value for Money Considerations

1.4.1 All Internal Audit reviews consider financial and value for money implications where appropriate.

1.5 Risk Assessment

1.5.1 There is a risk that if Internal Audit fail to provide a proper service that there will be an increased risk of a breach of statutory duty and the Council will be left open to an increased risk of fraud and error.

1.6 RECOMMENDATION

1.6.1. Members of this Committee are asked to review the coverage of the Audit Plan and comment on its content.

Background papers:

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Audit Files

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