

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

13 April 2010

Report of the Chief Internal Auditor

Part 1- Public

Delegated

1 PROTOCOL FOR LIAISON BETWEEN INTERNAL AND EXTERNAL AUDIT

This report introduces a draft protocol to provide a working framework between the Council and the Audit Commission. Members are asked to consider the content of the protocol and to adopt it.

1.1 Introduction

1.1.1 Although Internal and External Auditors conduct their work with different objectives in mind there is a large degree of crossover between their roles. There has always been a strong working relationship between the two services but the protocol will set out defined roles.

1.1.2 The objective of the protocol is set out within the draft as follows: -

- The objective of this protocol is to provide a framework which will optimise the benefits of audit to the Council, whilst enabling internal and external audit to deliver their respective responsibilities. It sets out how internal and external audit will work together to achieve this.

The protocol aims to:

- clarify the respective roles and responsibilities of external and internal audit;
- highlight areas for working together and where external audit are likely to place reliance on internal audit; and
- promote strong liaison arrangements.

Overall the protocol should develop an effective working relationship, within the bounds of the respective roles of internal and external audit, and optimise the benefit to the Council from available audit resources.

1.1.3 The full draft of the protocol is attached for consideration by Members of this Committee. **[Annex 1]**

1.1.4 This year the section has liaised closed with the District Auditor to carry out testing using the "Evaluation Testing Control" (ETC) checklists in order for the District Auditor to be able to place reliance on the work of Internal Audit and reduce the level of testing that they are required to carry out. This work was carried out using the framework contained within the draft protocol and both sides found this worked well and was worthwhile.

1.2 Legal Implications

1.2.1 There are no legal matters arising from this report.

1.3 Financial and Value for Money Considerations

1.3.1 There are no direct financial matters arising from this report although there may be hidden savings arising from the prevention of duplicated effort.

1.4 Risk Assessment

1.4.1 There are not considered to be any risks associated with this report.

1.5 Recommendations

1.5.1 Members are **RECOMMENDED** to consider the draft protocol and adopt it.

Background papers:

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Nil

David Buckley
Chief Internal Auditor