

**Report to:** Audit Committee  
**Date of meeting:** 16<sup>th</sup> March 2011  
**Report of:** Audit Manager  
**Title:** Internal Audit Annual Work Plan 2011/2012

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1.0 **SUMMARY**

This report sets out an interim Internal Audit Work Plan for the coming financial year for Watford BC and Three Rivers DC.

2.0 **RECOMMENDATIONS**

2.1 The interim 2011/2012 Internal Audit Work Plan be approved.

**Contact Officer:**

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**Report approved by:** Bernard Clarke – Head of Strategic Finance.

3.0 **DETAILS**

- 3.1 The Committee normally approves the Internal Audit Service and Work Plans on an annual basis. Since 2010/2011 the plans have also been approved by Three Rivers DC under the Shared Services arrangement.
- 3.2 The Service Plan sets out the audit strategy and objectives of Internal Audit for the coming year and the final Audit Plan shows the programme of audits proposed to meet those objectives. As arrangements for the management and provision of the Internal Audit Service are changing (final details not available at the time of writing this report) it is not practical to present either a Service Plan or a final Audit Plan for next year to this meeting of the Committee.
- 3.3 Attached to this report is an interim Audit Plan drawn up by the outgoing Audit Manager to enable work to progress until a new manager is able to finalise details of the work to be undertaken. Some of the audits listed are already committed (IT audits to be carried out by Deloitte) or are undertaken on a regular basis (key financial systems) in accordance with the managed audit approach agreed with the external auditors.
- 3.4 The work will initially be undertaken by Internal Audit (Shared Services) with additional resource being bought in (IT work only). In the last financial year external assistance was obtained to carry out mainstream audits as a transitional phase under Shared Services. Experience indicates that this assistance is no longer required.

4.0 **IMPLICATIONS**

4.1 **Financial**

- 4.1.1 The Head of Strategic Finance comments that there are no financial implications in this report.

4.2 **Legal Issues** (Monitoring Officer)

- 4.2.1 The Head of Legal and Property Services comments that there are no legal issues in the report.

4.3 **Potential Risks**

4.3.1

Potential Risk	Likelihood	Impact	Overall score
The plan is rejected and internal audit work is delayed until an acceptable plan can be produced.	1	3	3

## Appendices

1 Annual Audit Plan

## Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

Audit working papers.

File Reference – None.

**INTERIM  
ANNUAL PLAN 2011/2012**

AUDIT	DAYS SHARED SYSTEMS	DAYS WATFORD BC	DAYS THREE RIVERS DC
Payroll	15		
Recruitment	8		
NNDR	15		
Council Tax	15		
Benefits	25		
Creditors	15		
Debtors	15		
FMS Reconciliations	25		
Insurance	10		
IT - Network Controls – follow up	5		
IT - Disaster Recovery and Back-up	10		
IT - Strategy	5		
IT – Project Management	10		
IT - Asset Management	5		
IT - Virus Protection	5		
COA – Post Implementation Review	20		
Income Collection		15	15
Benefits Subsidy Claim		8	8
Benefits Overpayments		8	8
Treasury Management		6	6
Budget Monitoring		8	8
CIS		5	5
S. 106		8	8
Financial Procedure Rules		4	4
Hospitality		3	3
Money laundering		5	5
Current Contracts		10	10
Home Improvement Grants		10	10
Museum		10	
CSC		5	
External Audit Recommendations – follow up		8	
Land and Property Service			8
Development Control			8
Cemeteries			5
Licensing Income			8

To be allocated	35		
Special Investigations	20		
Contingency	25		
<b>Totals</b>	<b>510</b>	<b>278</b>	<b>113</b>