

PART A

Report to: Audit Committee
Date of meeting: 14th March 2012
Report of: Audit Manager
Title: Internal Audit Strategy and Annual Work Plan 2012/2013

1.0 SUMMARY

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

2.0 RECOMMENDATIONS

- 2.1 The 2012/2013 Internal Audit Strategy and Annual Work Plan be approved.

Contact Officer:

For further information on this report please contact: Mark Allen – Audit Manager
telephone extension 8104 or (01923) 727463 (at Three Rivers) email:
mark.allen@watford.gov.uk

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

3.0 DETAILS

- 3.1 The Committee approves the Internal Audit Strategy and Work Plan 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 Audit Strategy sets out the objectives of Internal Audit for the coming year and the Audit Plan shows the programme of audits proposed to meet those objectives.
- 3.3 The Audit Plan for 2012/13 has been drawn up by the Audit Manager after reviewing the available service and corporate plans and risk registers, reviewing the recommendations from previous Internal Audit and external audit reports and consulting with senior officers. It is based on an assessment of the internal and external risks facing both councils and is designed to meet the requirements of the external auditors.

- 3.4 The three IT audits listed are already committed to be carried out by Deloitte. The audits of the key financial systems are also expected to be undertaken on a regular basis in accordance with the managed audit approach agreed with the external auditors.
- 3.5 The work will primarily be undertaken by Internal Audit (Shared Services) with additional resource being bought in (IT work only). In the last financial year the in-house resource was reduced from 3.78 FTE to 2.78 FTE, resulting in a saving of £55,230 on the Shared Service budget for Internal Audit.
- 3.6 Despite the reduced resource, it is considered that the planned audits for 2012/13 will provide adequate coverage of the key risks for that year, having been prepared with reference to the councils' strategic planning documents and risk registers and having consulted senior staff on their concerns for the year.

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 Audit Strategy 2012/13
2 Annual Audit Plan 2012/13

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