

Report of:	Meeting	Date	Item No.
Corporate Director of Resources (S.151 Officer)	Audit Committee	7 February 2012	5

ANNUAL INTERNAL AUDIT PLAN 2012/13

1. Purpose of Report

1.1 To review the Annual Internal Audit Plan for the 2012/13 financial year.

2. Outcomes

2.1 An approved audit plan which takes account of the characteristics and relative risks of the activities involved.

3. Recommendation

3.1 Members are asked to approve the Annual Audit Plan attached at Appendix 1.

4. Background

4.1 The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2011 require that a “relevant body shall 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”.

4.2 Accordingly, internal audit is an independent appraisal function established by the Authority for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

5. Key Issues and Proposals

5.1 The Annual Audit Plan for the 2012/13 financial year is attached at Appendix 1.

IMPLICATIONS	
Finance	Key financial system audits are subject to a full system based audit every two years.
Legal	This will ensure good governance and probity.
Community Safety	None arising directly from the report.
Equality and Diversity	None arising directly from the report.
Sustainability	None arising directly from the report.
Health and Safety	None arising directly from the report.
Risk Management	The agreement of an annual audit plan will assist the Authority to put in place an appropriate control environment and effective controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.
Asset Management	None arising directly from the report.
Climate Change	None arising directly from the report.

Report Author	Telephone No.	Email	Date
Joanne Billington	01253 887372	Joanne.Billington@wyre.gov.uk	16/01/12
List of Background Papers:			
Name of Document	Date	Where available for inspection	

LIST OF APPENDICES

Appendix 1 – Annual Audit Plan 2012/13

Arm/audit/cr/12/0702jb2

Draft Audit & Risk Management Plan - April 2012 to March 2013

Category of Audit Plan	Total 2011/12 Days	Head of Governance	In House Days	Lancashire County Council Days
General / Meetings / Training / Non-Chargeable				
Management - LAS	7		2	5
Audit Committee (Preparation of report / attendance at meetings)	20	15	5	
Research and Reading	13	10	3	
North West Audit Group Meetings x 5	3	3		
Corporate Meetings / Senior Leadership Team Meetings / Team Briefs	28	20	8	
Annual / Quarterly Planning of Audit Work	3.5	0.5	3	
Training and Development (courses / seminars)	4	2	2	
Annual Governance Statement (preparation / monitoring)	5	5		
General Audit Advice and Liaison	9	2	7	
Routine Monitoring				
Email / Internet / Laptops / Mobiles & Landlines	5	5		
Follow-up work (assurance review forms)	5	5		
Gifts and Hospitality Received	4	4		
Audit Contingencies				
Contingency for Investigations / Whistleblowing	30	20	10	
Wyre's Contingency for reactive work	10		10	
Audit work carried forward from 2011/12	21	1	20	
IT Audits				
Computer / IT Audits (yet to be agreed)	15			15
Corporate / Cross Cutting Audits				
Storage and Retention	5.5	0.5	5	
Confidential Waste	5.5	0.5	5	
Political and Charitable Donations	5.5	0.5	5	
HR21 - Expenses	5.5	0.5	5	
Fees and Charges	5.5	0.5	5	
Data Transparency	10.5	0.5	10	
Gifts and Hospitality Provided	5.5	0.5	5	

Financial Systems Audits				
VAT	10			10
Main Accounting	10			10
Cash Receipting System (PARIS)	10			10
Operational Audits				
Marine Hall	10.5	0.5	10	
New Waste Management Contract	15.5	0.5	15	
Property Maintenance	10.5	0.5	10	
Purchasing of Goods and Services (inc. petty cash)	10.5	0.5	10	
Street Cleansing - new arrangements	10.5	0.5	10	
Management of Freedom of Information	5.5	0.5	5	
Insurance - Review of arrangements	10			10
Commercial Safety (Health and Safety)	10.5	0.5	10	
Car Parking	10			10
Idox System	10.5	0.5	10	
Public Relations and Communications	10.5	0.5	10	
Member Development	10.5	0.5	10	
Masternaut Tracking System	5.5	0.5	5	
Other Areas of Work				
Risk Management	8.5	3.5	5	
Information Governance (inc data security/protection)	20	20		
Other Head of Governance Responsibilities	85	85		
Anti-Fraud & Corruption / Bribery Act (Development / Awareness & Monitoring)	10	10		
GRAND TOTAL	510	220	220	70

NOTES

This plan is influenced by information contained within the Council's Strategic Risk Register and the Council's Annual Governance Statement. Key financial systems are now subject to a full system based audit every two years. Lancashire Audit Services will provide 70 audit days under our best value partnership and this will be supplemented by in-house audit skills.