

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 14th MARCH 2011

Annual Audit Plan 2011/2012

Report of the Strategic Director (Shirlene Adam).

This matter is the responsibility of the Leader of the Council, Cllr John Williams

Executive Summary

This report introduces the Internal Audit Plan for 2011/12. This is a flexible plan that may be amended during the year to deal with shifts in priorities.

1. Background

- 1.1 The Internal Audit service for Taunton Deane Borough Council is delivered by South West Audit Partnership (SWAP).
- 1.2 The internal audit plan for 2011/12 is set out in the attached report from SWAP. I am satisfied that this plan is focussed on key risks areas, and will help provide me with assurance on internal controls.

2. Financial Issues / Comments

- 2.1 The plan will be delivered within the agreed budget for internal audit.

3. Legal Comments

- 3.1 There are no legal implications from this report.

4. Links to Corporate Aims

- 4.1 No direct implications.

5. Environmental and Community Safety Implications

- 5.1 No direct implications.

6. Equalities Impact

- 6.1 The approval of the internal audit plan does not require an equalities impact assessment to be prepared.

7. Risk Management

- 7.1 Any risks identified will feed in to the corporate risk management process.

8. Partnership Implications

- 8.1 The Strategic Director and the Internal Audit Team (SWAP – South West Audit Partnership) meet regularly to review the progress against plan. Quarterly updates are provided to this Committee.

9. Recommendation

9.1 The Corporate Governance Committee is requested to approve the Internal Audit Plan for 2011/12.

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Taunton Deane Borough Council

Annual Audit Plan

2011/12

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Summary /Background	2
Annual Audit Plan	3
Schedule for Annual Audit Plan	Appendix 1

Our audit activity is split between:

- **Operational Audit**
- **Governance, Fraud & Corruption**
- **Key Financial System Control Reviews**

Role of Internal Audit

The Internal Audit service for Taunton Deane Borough Council is provided by the South West Audit Partnership (SWAP). SWAP has adopted and works to the Standards of the Institute of Internal Auditors, but also follows the CIPFA Code of Practice for internal audit.

Internal Audit provides an independent and objective opinion on the authority's control environment by evaluating its effectiveness. Primarily the work includes:

- Operational Audit Reviews
- Governance Reviews
- Annual Reviews of Key Financial System Controls
- Follow Up Reviews

Background

It is recommended by the Audit Commission and is recognised best practice that an appropriate Committee of Council scrutinises and approves the annual internal audit plan. The plan presented in this report represents all proposed internal audit activity for the year 2011/2012.

SWAP will submit to the Corporate Governance Committee, for information, an annual internal audit plan, setting out the recommended scope of their work in the period.

The annual plan will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will need to remain flexible and will be reviewed on a quarterly basis to ensure that it remains current and addresses new and emerging risks.

The annual internal audit plan has been developed with the co-operation and approval of the Section 151 Officer. The plan is risk based and is co-ordinated, where possible, with the audit plans of the other members of the South West Audit Partnership (SWAP). Joint audits of this kind derive real benefits in both reducing the overall time taken and in the shared lessons that can be learnt by all the partners.

Annual Audit Plan

The Annual Audit Plan

The audit plan is broken into four main areas of activity as detailed below. The operational reviews are comprehensive in nature and cover the entire range of risks and controls. A detailed report is issued at the end of the audit review and an agreed action plan devised.

Key control reviews are carried out in support of the work done by the Audit Commission and focus on financial control. These reviews are carried out annually between October and December. A report is issued for each review providing an assessment of the robustness of the key system controls and recommending improvements, where appropriate. Where a full operational audit is planned for one of the areas normally covered under the key control review, then the work is combined and co-ordinated.

Governance, Fraud and Corruption audits focus primarily on key risks relating to cross cutting areas that are controlled and/or impact at a Corporate rather than service specific level. They also provide an annual assurance review of areas of the Council that are inherently higher risk. Internal audit use the findings of these reviews to support the assurance we are required to provide as part of the Council's Annual Statement on Governance.

It has also been agreed that where an audit opinion has been judged to have been Partial that a follow-up review is performed in the following year to obtain assurance that the actions agreed have been implemented.

Progress of agreed actions is monitored by the Performance Officer as well as through regular reports to the Corporate Governance Committee.

In addition to our core audit work, as described above, internal audit also provides other services including advice and special investigations.

The schedule provided at Appendix 1 details the Annual Plan for 2011-12.

Appendix 1

Taunton Deane Borough Council

Annual Audit Plan

2011/12

Key Control Audits

Capital Accounting
Council Tax
Creditors
Debtors
Housing Benefits
Housing Rents
Main Accounting
NNDR
Payroll
Treasury Management

Governance, Fraud & Corruption

Annual Governance Statement Review
Contract Management Monitoring
Equalities and Diversity
Health and Safety- Internal
Information Governance
Managing Complaints
Maximising Income Opportunities
Safeguarding of Children and Vulnerable Adults
Scheme of Delegation
Service Planning
Threat from Fraud and Corruption (Analytical Review)

ICT Audits

CoCo
IT Strategy

Operational Audits

Car Parks Income
Choice Based Lettings
DLO Stores (External Sales)
Economic Development
Heritage and Landscape Services
Housing Benefit Subsidy
Housing Property Services (Contract Allocation and Monitoring)
Leases Rents Receivable
Legal Services
Licensing Income

Appendix 1

Planning Fees
Supporting People
Waste and Recycling

Other

Corporate Advice
General Advice
National Fraud Initiative
Special Reviews
External Audit Liaison