

Report to	<b>Audit Committee</b>
Date	<b>20 June 2011</b>
By	<b>Chief Finance Officer</b>
Title of Report	<b>Internal Audit Strategy and Annual Plan 2011/12</b>
Purpose of Report	<b>To present for approval the Internal Audit Strategy and Plan for 2011/12</b>

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**Recommendation: That the Audit Committee approves the Internal Audit Strategy and Annual Audit Plan for 2011/12.**

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## **1. Introduction**

- 1.1 This report presents the Authority's Internal Audit Strategy and Annual Audit Plan for 2011/12.
- 1.2 The strategy and plan provides a key component in providing a framework that gives assurance over the Authority's internal control, risk management and governance arrangements.

## **2. Background**

- 2.1 The Accounts and Audit Regulations 2003 (amended 2006) require the Authority to 'maintain an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with proper practice'. The proper practice being the CIPFA Code of Practice for Internal Audit in Local Government 2006.
- 2.2 Under the Code, the Authority is required to prepare an Internal Audit Strategy and Audit Plan for each financial year. The aim is to provide independent and objective assurance on the control environment consisting of internal control, risk management and governance.
- 2.3 The Internal Audit Strategy and Annual Plan 2011/12 is attached as **Appendix 1**. It includes details of what we plan to do during the year, the strategic approach and resources allocated. It also gives some information on how we rate the control environment on each system reviewed and how we intend to report our findings and recommendations.

## **3. The Audit plan**

- 3.1 The audit plan has been compiled by the Audit Manager in conjunction with the Chief Finance Officer and Director of Corporate Services. Although principally focusing on key financial systems it includes reviews of key governance processes, and reference to the Authority's assessment of risks.
- 3.2 The audit plan sets out the priorities as determined at the beginning of the financial year. Changes may be approved during the year to allow a response to emerging risks and issues. Any significant changes to the plan will be reported to the Audit Committee.

**4. Resources**

4.1 The total cost of delivering the 2011/12 Internal Audit Plan is £19,500.

**5. Risk Management**

5.1 Internal Audit has an important role to play in relation to effective risk management for the organisation.

**6. Human Rights, Equalities, Health and Safety**

6.1 None.

**7. External Consultees**

7.1 None.

**CATHERINE VAUGHAN**

**Chief Finance Officer**

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Appendices	Appendix 1: Internal Audit Strategy and Annual Plan 2001/12
SDNPA Consultees	Chief Finance Officer, Chief Executive Officer, Monitoring Officer & Director of Corporate Services.