



Committee and date

Audit Committee

25 November 2010

10.00 am

Item No

10

Public

ANNUAL REVIEW OF INTERNAL AUDIT STRATEGY

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Summary

This report proposes some minor changes to the Internal Audit Strategy 2009/10 to 2012/13.

Recommendations

Members are asked to consider and approve the proposed amendments to the Internal Audit Strategy.

Report

1. Best practice dictates that there should be an audit strategy as set out in the Code of Practice for Internal Audit in Local Government in the United Kingdom, 2006 (CIPFA). This document is used as the basis to review the effectiveness of the internal audit service by the Audit Commission.
2. An audit strategy is a high level statement of how the Internal Audit Service will be delivered and developed in accordance with the terms of reference and how it links to the organisational objectives and aims. The strategy expands upon the Terms of Reference and both documents should be read as a whole, they are further supported by the Internal Audit Manual.
3. The strategy was introduced earlier this year and it is felt appropriate to review it at the same time as the Internal Audit Terms of Reference. This report therefore brings the review process into line.
4. The strategy will communicate the contribution that Internal Audit makes to the Council and includes:

- a. Internal Audit's vision, purpose and values;
 - b. How internal audit will approach work;
 - c. How the Head of Audit has formed and evidenced their opinion on the control environment to support the annual statement on internal control;
 - d. How internal audit's work will identify and address significant local and national issues and risks;
 - e. How the service will be provided, i.e. internally, external, or a mix of the two;
 - f. The resources and skills required to deliver the strategy.
5. The Strategy has been refreshed to reflect minor changes to the Council's priorities and structure. Members are asked to consider and approve the proposed amendments to the Internal Audit Strategy. A copy of the Strategy with changes identified in bold, underlined type is attached as Appendix A.

Financial Implications

6. Internal Audit budgeted net costs for 2010/11 are £684,980. These are not adjusted for any work contributions from Consultancy Services staff.
7. External Audit costs for 2010/11 are £500,000.
8. In 2010/11 2,909 planned chargeable days are available for audit reviews.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Shropshire Transitional Corporate Plan 2010/13

Code of Practice for Internal Audit in Local Government in the United Kingdom, 2006 (CIPFA)

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

Environmental Appraisal

N/A

Risk Management Appraisal

An Audit Committee has a key function in ensuring and maintaining effective corporate governance arrangements are in place in the Council. The Audit Strategy provides evidence of such arrangements.

Community / Consultations Appraisal

N/A

Cabinet Member

Keith Barrow, Leader of the Council (Brian Williams, Chairman of Audit Committee)

Local Member

N/A

Appendices

Appendix A – Internal Audit Strategy 2009 to 2013 (Revised Nov 2010)