

**TEESDALE DISTRICT COUNCIL**

**Report To: AUDIT COMMITTEE  
17 March 2008**

**From: Audit Manager**

**Subject: INTERNAL AUDIT PLAN 2008/2009**

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**1.0 SUMMARY**

1.1 This report provides details of the proposed plan of Internal Audit work for the financial year 2008/2009.

**2.0 RECOMMENDATION(S)**

**2.1 It is recommended that**

**2.1.1 the audit plan for 2008/2009 is approved.**

**3.0 LINK TO CORPORATE OBJECTIVES/KEY PRIORITIES**

**3.1 Objective: To ensure effective corporate leadership**

**3.2 Priority: Continuously improve the delivery of our services**

**3.3 Outcome: Improved governance arrangements.**

**4.0 BACKGROUND**

4.1 The work of Internal Audit for the coming financial year is planned in advance to ensure that coverage is adequate to enable members to form an opinion on the systems of Internal Control.

**5.0 PROPOSED AUDIT PLAN 2008/2009**

5.1 In the run up to Local Government Reorganisation it was agreed that audit plans would be focussed on the main systems of control within the authority to enable resources to be identified for specific audit work to be undertaken as a result of the reorganisation. This could include providing cover to other authorities to ensure their minimum audit coverage is achieved.

5.2 The attached plan identifies the resources available to undertake audit work. Currently within the plan there are 260 days from the trainee auditor and 150 days from the audit manager. The current audit manager is due to leave his post on 31 March 2008 and work is currently underway to fill this position. This is the reason why only 150 days have been included for the audit manager as one of the potential

solutions is part-time cover from another audit manager within County Durham. Once this has been finalised the audit plan will need revisiting to reassess the resources available.

- 5.3 It is proposed that resources are employed initially to complete the core audits. The core audits will provide the audit manager with sufficient coverage to enable them to prepare their annual report and give an overall opinion. It may be necessary during the year add reviews to this plan if resources are available to do this (ie they are not required elsewhere) or a specific risk comes to light, however the plan should not be reduced beyond these core audits.

**6.0 STATUTORY CONSIDERATIONS**

- 6.1 Financial Implications: Insufficient audit coverage could lead to an increase in the amount of work to be undertaken by the Audit Commission which would result in an increase in fees.

- 6.2 Risk:

<b>Risk</b>	<b>Category</b>	<b>Implications</b>
Internal Audit coverage is insufficient.	Financial / Reputational / Legal	<ul style="list-style-type: none"> <li>• The Audit Commission would need to undertake additional work at an additional cost. This could have a negative impact on how external review agencies view the Authority.</li> <li>• It is a legal requirement for the authority to maintain an adequate and effective system of internal audit.</li> <li>• Officers and members will be unable to draw sufficient assurances from the work of internal to inform the statement on internal control.</li> </ul>

- 6.3 Equality and Diversity: None

- 6.4 Human Resources: None

- 6.5 Community Safety: None

- 6.6 Legal Issues: It is a requirement of the Accounts and Audit Regulations 2006 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.”

**Background papers:** None  
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