



INTERNAL AUDIT - STRATEGY

SUMMARY

- 1.1 The Internal Audit section is required to have a Strategy that sets out the contribution that it makes to the Council.

RECOMMENDATIONS

- 2.1 To approve the revised Internal Audit Strategy 2011/12.

REASONS FOR RECOMMENDATIONS

- 3.1 The internal audit section must demonstrate compliance with the CIPFA Code of Practice for Internal Audit in Local Government in the UK.
- 3.2 Standard 7.1.3 of the Code of Practice states that the strategy should be approved, but not directed, by the audit committee.

SUPPORTING INFORMATION

- 4.1 Standard 7.1 of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government in the UK states that "The Head of Internal Audit must produce an audit strategy; this 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 priorities".
- 4.2 The strategy needs to communicate the contribution that Internal Audit makes to the Council and should include:
- Internal Audit objectives and outcomes
 - How the Head of Internal Audit will form and evidence his or her opinion on the control environment to support the annual Statement of Internal Control (now incorporated in the Annual Governance Statement)
 - How Internal Audit's work will identify and address significant local and national issues and risks
 - How the service will be provided, i.e. internally, externally, or a mix of the two
 - The resources and skills required to deliver the strategy.

- 4.3 The original Internal Audit Strategy was approved by this Committee in December 2007. This strategy is now out of date. The Head of Audit and Risk Management has produced a revised strategy for 2011/12 and this is attached at Appendix 2.
- 4.4 The previous strategy covered a 3 year period. This revised strategy is only for the 2011/12 audit year, to reflect the potential implementation during 2011 of an Internal Audit partnership to deliver internal audit services to Derby City Council and a neighbouring District Council, which will necessitate the development of a new strategy.

OTHER OPTIONS CONSIDERED

5.1 N/A

This report has been approved by the following officers:

Legal officer	n/a
Financial officer	n/a
Human Resources officer	n/a
Service Director(s)	n/a
Other(s)	n/a

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Internal Audit Strategy 2011/12

IMPLICATIONS

Financial and Value for Money

1.1 None directly arising

Legal

2.1 None directly arising

Personnel

3.1 None directly arising

Equalities Impact

4.1 None directly arising.

Health and Safety

5.1 None directly arising.

Environmental Sustainability

6.1 None directly arising.

Asset Management

7.1 None directly arising.

Risk Management

8.1 None directly arising.

Corporate objectives and priorities for change

9.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.