

INTERNAL AUDIT PLAN 2011-2012
WDA/14/11

Recommendation

That:

1. Members approve the Internal Audit plan for 2011;

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INTERNAL AUDIT PLAN 2011-2012**WDA/14/11****Report of the Treasurer****1. Purpose of the Report**

- 1.1 To inform Members of the proposed audit programme for the internal audit of the Authority for 2011-12 as provided by St Helens Council's Internal Audit service.

2. Background

- 2.1 The Treasurer to the Authority is required to undertake an adequate and effective internal audit as part of the Statutory obligation and as part of the Authority's governance framework.
- 2.2 The internal audit service to the Authority has been and continues to be provided by St Helens Council. This arrangement continues to be valuable and effective in providing the internal audit for the Authority.
- 2.3 The Chief Internal Auditor for St Helens Council has provided an Audit Plan setting out the proposed areas for Internal Audit review of the Authority during 2011-12, this is attached at Appendix 1.

3. Report Body

- 3.1 Each year the Chief Internal Auditor sets out the planned internal audit coverage for the Authority. The Internal Audit plan proposal is risk based taking account of the areas of strategic importance and the extent of audit review in recent years.
- 3.2 As part of the risk identification process the Chief Internal Auditor has consulted with the Treasurer to the Authority to identify areas where internal audit should apply its resources.
- 3.3 The internal audit plan takes account of the Chief Internal Auditor's experience and the need to comply with Internal Auditing standards. The plan is designed to ensure that all the relevant risks and standards are

considered to give balanced coverage of the Authority and its activities. Key areas of internal audit activity include:

- Review of the Waste Management and Recovery Contract (WMRC) arrangements following the implementation of the contract;
- Review strategic risk management arrangements
- Review of performance management and data quality
- Review of the authority's corporate governance framework and the Annual Governance Statement; and
- Review of key elements of the Resource Recovery Contract procurement process (n.b. If this takes more audit time than expected an additional fee, up to £7,000, may be required to complete an adequate review. Where this is the case a further report setting out the plan and reasons will be presented to Members).

3.4 The Chief Internal Auditor from St Helens will attend the Authority meeting to provide such further detail as Members may require.

4. **Risk Implications**

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
Statutory risk – failure to maintain an internal audit	2	5	10	The plan provides assurance that the Authority will meet its statutory duty
Governance risk – risk that the Authority will not deliver its plans, both in performance and financial terms	2	5	10	The plan contributes to ensuring the Authority mitigates its governance risks
Financial risk – risk of loss or error arising from fraud or poor procedures	1	5	5	The plan provides assurance that the Authority and its activities are reviewed and reported on independently

5. HR Implications

5.1 There are no HR implications

6. Environmental Implications

6.1 There are no environmental implications associated with this report.

7. Financial Implications

7.1 The cost of the Internal Audit service is included within the cost of support services procured from St Helens Council and for which a budget was approved by the Authority in February 2011.

8. Conclusion

8.1 Members are asked to approve the Internal Audit Plan for 2011-12 attached at Appendix 1 to this report.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.