

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 24 MARCH 2010

INTERNAL AUDIT PLAN 2010/11

1. PURPOSE OF THE REPORT

- 1.1 To seek the Committee's approval of the 2010/11 Internal Audit plan.

2. BACKGROUND

- 2.1 The Internal Audit strategy was established in line with internal control and risk management best practice.
- 2.2 The Council's Internal Auditors use the 'Enhanced Systems Based Auditing' (ESBA) approach they devised to check that risk and business continuity management is adequately considered and is embedded throughout the Council. This approach ensures that non-financial systems (such as health & safety, risk and business continuity management, data quality) are afforded the same 'fundamental systems' status as the traditionally important financial systems (such as creditors, housing benefits, payroll and council tax).
- 2.3 The fundamental systems are audited on an annual basis using the Council's ESBA control matrices testing papers, whilst the remainder 'non-fundamental' systems are normally audited at least once over a three-year period.
- 2.3 The 2010/11 audit plan has been established in accordance with the audit strategy. The frequency of testing non-fundamental systems has been extended from three to four years, which is still within best practice. The move has been made in order to ensure that the Council's fundamental systems are sufficiently tested whilst making time available for preparing for unitary status in 2011/12 or continuing the provision of internal audit services to East Devon District Council.
- 2.4 The two main risk areas continue to be computers and housing benefits. The reasons for computers are the Council's heavy reliance on IT systems; the continuing threats of attacks from hackers and viruses, and the need to comply with the Government's GovConnect requirements. Housing benefits is high because of the ever present risk of external fraud, and the significant financial affects that would be caused by any loss in the benefits' grant.

3. RECOMMENDATION

- 3.1 That the 2010/11 Internal Audit Plan be approved.

HEAD OF AUDIT

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling the report:

None