

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
23 MARCH 2011
INTERNAL AUDIT PLAN 2011/12

1. PURPOSE OF THE REPORT

- 1.1 To seek the Committee's approval of the 2011/12 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 being 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 Audit Plan has been established in accordance with the audit strategy.
- 2.4 The two main risk areas continue to be information technology (IT) and housing benefits. The way IT is audited will change in 2011/12 to ensure that testing assesses compliance with IT Governance best practice using the CIPFA Systems Based Auditing (SBA) control matrices that Exeter's Auditors wrote. Audit coverage will still include checking that there are adequate controls in place to protect the Council's IT systems for the ever increasing 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 as well as the significant financial affects that would be caused by any loss due to significant errors in the benefits' grant claim.

3. RECOMMENDATION

- 3.1 That the 2011/12 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