

LONDON BOROUGH OF BRENT

Report to Performance & Finance Select Committee

23rd June 2004

REPORT NO. BFS FROM THE DIRECTOR OF FINANCE

FOR INFORMATION/ACTION

ALL WARDS

INTERNAL & EXTERNAL AUDIT PLANS FOR 2004/05

1. Summary

- 1.1. The purpose of this report is advise the Performance & Finance Select Committee of the proposed internal and external audit plans for 2004/05.

2. Recommendations

- 2.1. The Performance & Finance Select Committee note the content of the report in its role as defined in the constitution: "To review and monitor the operation and effectiveness of, and compliance with, risk management, internal control and internal and external audit".

3. Financial Implications

- 3.1. None.

4. Legal Implications

- 4.1. The Accounts and Audit Regulations 2003 require that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.
- 4.2. For the first time in the accounts for 2003/4 the Council is required to include a statement on internal control. This statement will, in part, rely on the work of internal and external audit.

5. Staffing Implications

- 5.1. None.

6. Diversity Implications

- 6.1. The proposals in this report have been subject to screening and officers believe that there are no diversity implications arising from it.

7. Detail

7.1. The provision of the audit function for the authority is currently undertaken across three providers.

For internal audit these are:

- Audit and Investigations Team which currently undertakes audits of the Authority's service units, schools and operational systems and deals with probity and anti-fraud functions.
- Deloitte Touche who provide support to the Audit and Investigations Team to audit the main corporate financial and IT systems.

For external audit:

- PricewaterhouseCoopers

7.2. For 2004 / 2005 internal and external audit will continue to work on the basis of a joint audit approach. This approach sets out the respective roles of internal and external audit and is designed to maximise resources and minimise disruption to service areas. Appendix 1 contains the Joint Audit Statement which details how the joint arrangements will work.

7.3. The CIPFA code of practice on internal audit requires the proper planning of audit work. This requires strategic, periodic and operational work plans. The internal audit plan for 2004/05 is attached as Appendix 2.

7.4. The external audit plan for 2004/05 is attached as Appendix 3.

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