

Internal Audit Annual Plan 2017-18

Portfolio

Finance

Ward(s) Affected: n/a

Purpose

To consider and approve the 2017-18 Annual Plan for the Internal Audit service

Background

1. The Accounts and Audit Regulations require local authorities to maintain an adequate and effective system of internal audit of accounting records and of the system of internal control, in accordance with internal audit Standards. An Annual Plan for Internal Audit demonstrates how the Council will fulfil this requirement in accordance with the Public Sector Internal Audit Standards.

The Annual Plan

2. The Annual Plan is a proposed work programme for the Internal Audit service for the forthcoming year. A copy of the Plan is attached at Annex A, and covers the period April 2017 to March 2018. The Plan is a combination of reviews that are conducted every year, together with those audits that are undertaken less regularly such as one off pieces of work, or audits conducted every 3 years.
3. The Plan is based on the Strategic Audit Plan, which is a medium term plan agreed every 3 years. The current 3 year plan expires March 2017, and a new 3 year plan has been prepared for committee approval.

Resourcing

4. A total number of 430 working days will be required to deliver next year's Plan, which does not include days required to cover annual leave, bank holidays and staff training. There are currently two FTE members of the audit team, a fully qualified Senior Auditor and a part qualified auditor. Additional resources may be brought in as and when required.

Requirements of External Audit

5. The Plan includes a series of audits that are required by the Council's external auditors who place reliance on the work undertaken by Internal Audit as part of their audit of the Council's set of accounts. Without this reliance, the external auditors reserve the right to re-perform some of the audit testing themselves over and above their normal work. This may lead to a financial cost to the Council.

Monitoring and reporting

6. Progress against the Plan and performance of the audit team is monitored during the year and reported to the Corporate Management Team. Major amendments to the Plan will be discussed and agreed in advance with the Executive Head Finance in consultation with the Audit committee.
7. Significant risks and findings identified by Internal Audit during the course of the year will be brought to the attention of senior management, and reported to Audit & Standards committee. Significant risks are also brought to the attention of the Council's Corporate Risk Management Group and considered for inclusion in the Corporate Risk Register. Internal Audit recommendations are followed up and any that have not been implemented or discharged in line with agreed timescales are reported to the Council's Performance Management Group (PMG) as well as Audit & Standards committee on a regular basis.

Corporate Plan

8. The work of Internal Audit supports the Council's Corporate Plan and helps to meet its corporate objectives and key priorities. The Internal Audit service is also an integral part of the Council's performance management system.

Resource implications

9. There are no resource implications arising from this report.

Recommendation

10. Members are asked to note and agree the Audit Annual Plan for 2017-18.

Annex: Copy of Audit Plan 2017-18.

Background Papers: None

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