

GOVERNANCE COMMITTEE

17th JANUARY 2013

REPORT OF HEAD OF WELLAND INTERNAL AUDIT CONSORTIUM

INTERNAL AUDIT PLAN 2013-14

1.0 PURPOSE OF REPORT

- 1.1 To advise Members of a change in the planned schedule for approving the 2013-14 Audit Plan and the reason for that change.

2.0 RECOMMENDATIONS

- 2.1 **That Members note the report, endorse the planning approach outlined and acknowledge the requirement to approve the resulting Plan at the meeting on 28th March 2013.**

3.0 KEY ISSUES

- 3.1 Members were advised in a separate report that Public Sector Internal Audit Standards come into effect from 1st April 2013. Full conformity with the Standards will involve a change in the approach taken to the development of Strategic (i.e. Annual) Audit Plans. The Head of Consortium considers it practical to adopt a planning approach that conforms to the requirements of the Standard but this will require bringing the 2013-14 Audit Plan to the March meeting of the Committee for approval
- 3.2 The Standards require that the Annual Audit Plan must reflect the Council's **current** risk appetite, corporate objectives and priorities for the year. The planning approach used in previous years – based on the Stamford Model – relies on incremental modifications to prior years' risk assessments and does not – transparently – identify linkages to current corporate objectives and priorities
- 3.3 The planning approach that the Head of Consortium proposes to use in future years would involve: consulting Heads of Service and other senior managers to identify management's view of the coming year's risks about which assurance is required; working with Management Team to arrive at a corporate view of the range of assurance required, the sources of assurance to be relied upon and the priority given to each of the audit assignments identified through the process; and providing the Committee with the opportunity to comment on the developing proposals. That process would normally take place in the period November – January each year.
- 3.4 What is proposed, as an interim measure for the 2013-14 Plan, is the use of consultation with managers to inform a presentation to Management Team: the object of that presentation would be to gain sufficient guidance about the relative importance of the risks identified to produce a draft Audit Plan for consideration by the Committee. That consultative process is already in hand and it is anticipated that a draft Plan will be available by mid to late February. Subject to the agreement of the Committee, it is intended that the draft Plan be circulated as soon as it is completed to allow Members time to consider and make comments on the draft.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 The proposals set out in the report will delay the Committee's consideration of the Annual Plan for 2013-14 but will mitigate the risk of criticism, by the Council's External Auditors, that the Plan does not conform with the new Standards

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 There are no financial or other resource implications arising directly from this report.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 There are no legal implications arising directly from this report

7.0 COMMUNITY SAFETY

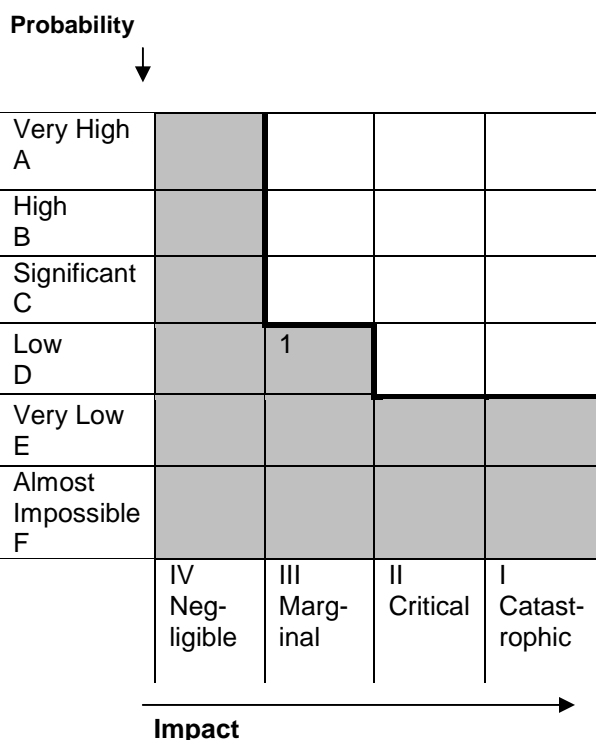
7.1 There are no Community Safety implications arising directly from this report

8.0 EQUALITIES

8.1 There are no Equalities implications arising directly from this report

9.0 RISKS

9.1 There are no significant risk arising from a delay in considering the Annual Audit Plan. Producing the Plan using the same methodology as in previous years carries a risk of criticism for non-conformity with the new Standards.



Risk No.	Description
1	Failure to demonstrate conformity with Public Sector Internal Audit Standards

10.0 CLIMATE CHANGE

10.1 There are no Climate Change implications arising directly from this report

11.0 CONSULTATION

11.1 N/A

12.0 **WARDS AFFECTED**

12.1 All wards are indirectly affected by the report

Contact Officer Richard Gaughran

Date: 28/12/12

Appendices : N/A

Background Papers: N/A

Reference : N/A