



Internal Audit Planning Process 2015 / 16

MELTON BOROUGH COUNCIL

**GOVERNANCE COMMITTEE
18th NOVEMBER 2014**

Head of Internal Audit: Jonathan Idle

INTERNAL AUDIT PLANNING PROCESS 2015/16

1. Introduction

1.1 This report sets out the proposed approach to the preparation of the Internal Audit Plan for 2015-16, which will be presented to the Governance Committee in March 2015.

2. The Audit Plan

2.1 The Audit Plan is designed to support the provision of an annual Head of Internal Audit Opinion. The basis for forming this opinion is as follows:

- An assessment of the design and operation of the underpinning Governance, Assurance and Risk Frameworks and supporting processes; and
- An assessment of the range of individual opinions arising from the risk based assignments, which will be reported throughout the year.

Risk Assessment

2.2 For 2015-16, a new approach to audit planning is proposed by Internal Audit. The compilation of an “audit universe” (a gross list of potential areas for Internal Audit review) will highlight a list of potential audit review areas. The audit universe will be developed by identifying key risks from sources such as:

- Risk Management Framework / Risk Reporting
- Corporate Plan
- Financial Statements

Internal Audit would welcome views on further sources to be referred to in developing the audit universe and the most appropriate means of incorporating members’ views prior to the Committee in March 2015.

2.3 The intention of this approach is to refresh and redesign audit coverage, which can support the Governance Committee in discharging their governance responsibilities.

2.4 This process provides the basis for both the development of assurance mapping for the Council and also as a basis for a 3-year Strategic Audit planning process, should members of the Governance Committee require.

2.5 The Audit Plan covers the two key component roles of Internal Audit:

- The provision of an independent and objective opinion to the Section 151 Officer/ Head of Financial Services and the Governance Committee on the degree to which risk management, control and governance support the achievement of Council objectives;
- The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

2.6 It is intended that the Audit Universe forms the basis of stakeholder discussions with the Senior Management Team, from which refinement and prioritisation of planned audit coverage for 2015-16 will occur.

3. Recommendation

3.1 The Governance Committee is invited to comment upon and approve the planning process for the Internal Audit Plan for 2015-16.