

GOVERNANCE COMMITTEE**4th APRIL 2017****REPORT OF HEAD OF INTERNAL AUDIT****INTERNAL AUDIT PLAN 2017/18****1.0 PURPOSE OF REPORT**

1.1 To provide Members with a copy of the draft Internal Audit Plan for 2017/18 for review and formal approval, in line with the requirements of the Public Sector Internal Audit Standards.

2.0 RECOMMENDATIONS

2.1 **That Members review and approve the Internal Audit Plan for 2017/18.**

2.2 **That delegated authority is given to the Head of Central Services in consultation with the Chair of the Governance committee to agree amendments to the Plan during the financial year, if required.**

3.0 INTERNAL AUDIT PLAN 2017/18

3.1 In order to ensure that the Audit Plan for 2017/18 addresses the Council's key risks and adds value, the Head of Internal Audit has identified and prioritised the areas for coverage by:

- Reviewing the Council's Risk Registers and Corporate Plan;
- Analysing coverage of Internal Audit reviews over the last four years and the assurance opinions provided following each review, to identify any assurance gaps or areas where follow up work would be of value;
- Identifying any other sources of assurance for each of the Council's key risks, which may reduce the added value of an Internal Audit review and where work could be aligned with other assurance providers;
- Identifying any areas of the Audit Universe (a list of potential areas for audit review across the Council) which have not been subject to Internal Audit review during the last four years;
- Discussion at Governance Committee on the planning process and areas where Members require assurances from Internal Audit during 2017/18; and
- Meeting with members of Management Team to discuss key risks and emerging risk areas for the year ahead and any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.

3.2 The process has also incorporated consideration of potential audits which can be undertaken by drawing upon similar emerging themes from the Councils across the Welland and LGSS sites.

3.3 Following this consultation and review, a Draft Internal Audit Plan has been compiled and is provided in Table 1 of Appendix A. Also provided, in Table 2 of Appendix A, is a reserve list of audit assignments which were considered for inclusion in the plan but, following consultation with management, it has been agreed that these are lower risk or would be of greater value in 2018/19. If the risk environment changes during 2017/18 the Audit Plan can be amended and these assignments can be re-assessed for possible coverage.

3.4 Appendix A to this report provides further detail on the development of the 2017/18 Audit

Plan and a copy of the draft Internal Audit Plan.

4.0 ONGOING REVIEW OF AUDIT PLAN

4.1 To ensure that the Internal Audit activities are consistently focused upon the Council's key risks, the plan will remain subject to ongoing review by the Head of Internal Audit throughout the year and will be subject to regular consultation with senior management. To enable the Internal Audit team to be responsive and amend the planned activities to address any new or emerging risk areas as required, it is recommended that a mechanism be agreed to allow for changes to the Audit Plan between Governance Committee meetings. Any such amendments could be subject to formal approval by the Head of Central Services in consultation with the political groups' nominated consultees for the Governance committee and any such amendments would be reported at the subsequent Governance Committee meeting.

5.0 POLICY AND CORPORATE IMPLICATIONS

5.1 The report allows the Committee to develop independent assurance about the quality of the Council's internal control framework.

6.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

6.1 There are no financial or resource implications arising from this report. The plan is based on the 235 days commissioned by the Council on an annual basis.

7.0 LEGAL IMPLICATIONS/POWERS

7.1 There are no legal implications arising directly from this report

8.0 COMMUNITY SAFETY

8.1 There are no community safety implications arising directly from this report.

9.0 EQUALITIES

9.1 There are no equalities implications arising directly from this report.

10.0 RISKS

10.1 If Internal Audit does not deliver a risk based Audit Plan with appropriate coverage of key risk areas the assurance that it can provide about the Council's control framework would be compromised.

11.0 CLIMATE CHANGE

11.1 There are no climate change implications arising directly from this report.

12.0 CONSULTATION

12.1 N/A

13.0 WARDS AFFECTED

13.1 All wards are indirectly affected by the report.

Date: 04/04/2017
Appendices : A – Internal Audit Plan 2017/18