

INTERNAL AUDIT ANNUAL PLAN 2017/18

1. SUMMARY

- 1.1 This report introduces the Internal Audit Annual Audit Plan for financial year 2017/18.

2. RECOMMENDATIONS

- 2.1 To agree and approve the Internal Audit Annual Plan 2017/18.

3. DETAILS

- 3.1 The Public Sector Internal Audit Standards (PSIAS) stipulate that the Council's Internal Audit plan must be risk based and focused on governance, risk and controls to allow the Chief Internal Auditor to provide an annual opinion on the Council's internal control framework, based on the work undertaken during the year. This annual opinion informs the Annual Governance Statement.
- 3.2 The Annual Audit Plan is shown in Appendix 1. The audits detailed in the audit plan have been selected using a risk based assessment of our audit universe which is essentially all of the auditable areas within the Council.
- 3.3 Factors used in the risk assessment process included the potential impact on the Council's corporate priorities, financial materiality, links to strategic risks, key changes within the operating environment, results of previous audit activity, a review of complaints register and assurance received from other sources.
- 3.4 Consideration was also given to the requirement to provide an annual assurance statement, volume of transactions and impact on the Council's framework for internal control.

The audit plan is broken down into 4 main areas which are;

- Cross-cutting reviews
 - Service department reviews
 - Verification reviews
 - Continuous monitoring programme
- 3.5 Cross cutting reviews include auditable areas which are non-specific to an individual department or service activity and which are of a corporate or organisational wide focus
- 3.6 Service department reviews include auditable units within the audit universe which are specific to an individual department

- 3.7 Internal Audit undertake a number of verification reviews throughout the year. These reviews are primarily focused on testing and verifying areas such as grant claims, performance indicator submissions and compliance with sector regulation or licensing.
- 3.8 Our continuous monitoring programme includes a number of auditable units which are subject to testing on a regular recurring basis with control weaknesses reported by exception.
- 3.9 An indicative outline scope is given for each of auditable units. Full terms of reference will be discussed and agreed with relevant Head of Service.
- 3.10 The plan is based on an estimated available 970 audit days with suitable contingency factored in. The plan remains fully flexible, to accommodate changes in the Council's risk profile and /or emerging risks.

4. CONCLUSION

- 4.1 The Internal Audit Annual Plan is risk based and is aligned to the Council's long term outcomes, corporate objectives and strategic risk register. The plan incorporates continuous monitoring and verification activity sections.

5. IMPLICATIONS

5.1	Policy:	None
5.2	Financial:	None
5.3	Personnel:	None
5.4	Legal:	None
5.5	Equal Opportunities:	None
5.6	Risk	None
5.7	Customer Service	None

For further information please contact Internal Audit (01369 708505)

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24 March 2017

Appendices:

1. Internal Audit Annual Plan 2017/18