

DRAFT ANNUAL AUDIT PLAN 2018/19

1. SUMMARY

- 1.1 This report introduces the draft Annual Audit Plan for financial year 2018/19.

2. RECOMMENDATIONS

- 2.1 To note proposed content and feedback any comments to the Chief Internal Auditor.

3. DETAILS

- 3.1 The Committee agreed that a draft audit plan would be submitted to the December meeting of the Audit Committee to allow members to review proposals and feedback any comments to the Chief Internal Auditor prior to approving the finalised plan at the March meeting of the committee.
- 3.2 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.
- 3.3 The draft 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 all of the auditable areas within the Council.
- 3.4 Factors used in the risk assessment process included the potential impact on the Council's corporate outcomes, financial materiality, links to strategic risks, key changes within the operating environment, a review of the complaints register and assurance received from other sources.
- 3.5 Consideration was also given to the requirement to provide an annual assurance statement and the impact on the Council's framework for internal control.

The Audit plan is broken down into 3 main areas which are;

- Cross-cutting reviews including the Continuous monitoring programme
- Service department reviews
- Verification reviews

- 3.6 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.
- 3.7 Service department reviews include auditable units within the Audit Universe which are specific to an individual department.
- 3.8 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.
- 3.9 Our continuous monitoring programme includes a number of auditable units which were historically subject to individual annual audits. These areas are now tested on a regular recurring basis with control weaknesses reported by exception.
- 3.10 An indicative outline scope is given for each of the audit reviews. Full terms of reference will be discussed and agreed with relevant Head of Service as part of the planning process for each audit.
- 3.11 The plan is based on an estimated available 940 Audit days with suitable contingency factored in. The plans remains fully flexible, to accommodate changes in the Council's risk profile and /or emerging risks.

4. CONCLUSION

- 4.1 The draft annual audit plan is risk based and is aligned to the Council's long term outcomes, corporate objectives and strategic risk register. The plan also 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 (01436 657694)

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Appendices:

1. Draft Audit Plan 18/19