

DRAFT ANNUAL AUDIT PLAN 2016/17

1. SUMMARY

- 1.1 This report introduces the draft Annual Audit Plan for financial year 2016/17.

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 Chief Internal Auditor to provide an annual opinion on the Council's internal control framework, based on the work undertake during the year. This annual opinion informs the Annual Governance Statement.
- 3.3 The draft Annual Audit Plan in 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 complaints register and assurance received from other sources.
- 3.5 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 Activity

- 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 Review: 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 and performance indicator submissions.
- 3.9 The Continuous Monitoring Programme includes a number of auditable units which were previously 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 Auditable units. Full terms of reference will be discussed and agreed with relevant Head of Service.
- 3.11 The plan is based on an estimated available 975 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 Outcomes and Strategic Risk Register. The plan now 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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Appendices:

1. Draft Audit Plan 16/17