

ANNUAL AUDIT PLAN 2016/17

1. SUMMARY

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

2. RECOMMENDATIONS

2.1 To agree and approve the Annual Audit Plan 2016/17.

3. DETAILS

3.1 This report introduces the Annual Audit Plan which has been prepared in line with Public Sector Internal Audit Standards (PSIAS). 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. The Annual Audit plan is shown in appendix 1.

3.2 The audits detailed in the audit plan have been selected following a risk assessment of our audit universe. Factors used in the risk assessment process include:

- the potential impact on the Council's corporate outcomes
- links to strategic risks
- financial materiality
- key changes within the operating environment
- assurance received from other sources
- impact of local and national issues
- experience gained from previous internal audit reports.

3.3 In preparing the Audit Plan, Executive Directors and Heads of Services have been consulted and a draft plan was presented to the December Audit Committee. The plan has also been discussed with the Council's External Auditors. Where appropriate, the plan has been updated to reflect feedback received.

3.4 Whilst a risk based approach has been adopted the plan also ensures an appropriate balance of coverage across all departments and includes a further shift to continuous monitoring in respect of a number of auditable units.

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

- Cross Service Reviews
- Service Department Reviews
- Continuous Monitoring
- Verification Activity

- 3.6 Cross Service Reviews include auditable units which are non-specific to an individual department or service area and which are of a corporate or organisational wide focus.
- 3.7 Service Department Reviews are auditable units within the audit universe which are specific to an individual department.
- 3.8 The Continuous Monitoring Programme includes a number of auditable units which were previously subject to individual annual review. These areas are now reviewed on a regular recurring basis with control weaknesses reported by exception.
- 3.9 Internal Audit undertakes a number of Verification Reviews throughout the year. These reviews are primarily focused verifying areas such as grant claims and performance indicator submissions.
- 3.10 The plan is based on 925 available audit days and includes time needed for management of Internal Audit Service, audit planning, development of annual opinion, attendance at meetings and the continuous development of audit policies and procedures in line with PSIAS.
- 3.11 The plan also includes contingency set aside for consultancy, reviews or investigations and liaison with other assurance providers such as External Audit and other scrutiny bodies. Specific allowance has been made in respect of Audit and Risk management input required as part of the Health and Social Care Integration.

4. CONCLUSION

- 4.1 The Annual Audit plan has been prepared in line with PSIAS and is aligned to the Council's Long Term Outcomes, Corporate Outcomes and Strategic Risk Register.

5. IMPLICATIONS

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| 5.1 | Policy: | The Annual Audit plan provides assurance that appropriate focus is given to Governance, Risk and Control |
| 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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11 March 2016

Appendices:

1. Annual Audit Plan 16/17