

Central Bedfordshire Council

AUDIT COMMITTEE

4 April 2016

2016/19 (3 Year) Internal Audit Plan

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Purpose of this report:

The purpose of this report is to present the 2016-19 (3 Year) Internal Audit Plan for review and approval.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and approve the 2016/19 (3 year) Internal Audit Plan.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as it is a matter for the Audit Committee under the delegations of the Constitution.

Background

2. The Public Sector Internal Auditing Standards, effective from 1st April 2013, require the Head of Internal Audit to establish risk based plans to determine the priorities of internal audit activity, consistent with the organisation's goals. This should be supported by a documented risk assessment, giving consideration to the input of senior management.
3. The Audit Committee, at its meeting in April 2013, approved the Strategic Audit Plan covering the period 2013-2016.
4. 2015/16 represented the final year of the three year plan. An audit plan covering the period 2016 to 2019 has been prepared. The plan has been produced following discussion with senior officers. The plan for 2016/17 is detailed. The plan for future years contains less detail and will be reviewed and updated each year to ensure that it remains relevant.

2016/19 Internal Audit Plan

5. In preparing the audit plan, consideration has been given to the requirement for the Head of Internal Audit to deliver an annual internal audit opinion on the overall adequacy and effectiveness of the Councils framework of governance, risk management and control (as required by the Public Sector Internal Auditing Standards).
6. The updated plan has been informed through:
 - reference to the previous Audit Needs Assessment undertaken
 - consultation with senior management
 - Internal Audit's own analysis of risk areas
 - outcomes of previous audits
 - reference to the strategic and operational risk registers
 - the outcome of the assurance mapping exercise on the risks documented within the Strategic Risk Register, and
 - consideration of the requirements of the Public Sector Internal Audit Standards to include reviews on control, risk, ethics and governance issues.
7. In developing the audit plan, consideration has been given to ;
 - providing assurance on the Council's fundamental systems
 - ICT assurance work
 - grant claim sign off work
 - system reviews of key service activities
 - follow up work, where appropriate
 - consultancy and advice
 - engagement in key transformation programmes and projects, as appropriate
 - new Government initiatives
 - local initiatives
 - the need to ensure that basic systems and controls are robust and being complied with at a time when the Council is refining a number of processes to improve service delivery and increase efficiencies.
8. It is important to recognise the need for flexibility in the approach to our audit work. The approach adopted recognises that organisational and business transformation changes are continuous within Central Bedfordshire and acknowledges that, as a result, the control environment is subject to change. A contingency has been included within the plan to ensure that Internal Audit can respond accordingly. The plan includes provision for a rolling programme of reviews in several areas, including information governance, corporate governance, contracts management and partnership governance. The specific areas for review will be determined based on the progress of planned initiatives and may involve Internal Audit being involved in the early stages of development, as appropriate.

9. The approach to the delivery of the fundamental systems audits has been discussed with Ernst and Young, the Council's external auditors.
10. The plan has been discussed and agreed with the Corporate Management Team.
11. The Audit Plan is attached at Appendix A.

Available Resources

12. It is estimated that there will be 1,260 productive audit days available for 2016/17.

Council Priorities

13. The activities of Internal Audit are crucial to the governance arrangements of the organisation and as such are supporting all of the priorities of the Council.

Corporate Implications

Legal Implications

14. None directly from this report.

Financial Implications

15. None directly from this report. However, sound systems assist in preventing loss of resources (by other wastage or fraud), thereby improving effectiveness and efficiency.

Equalities Implications

16. None directly from this report.

Conclusion and next Steps

17. Approval by the Audit Committee of the revisions to the Internal Audit Plan will ensure that Internal Audit can progress its work in line with an agreed approach.
18. The Audit Committee can then use the final plan to monitor the work of internal audit to ensure that appropriate assurance is provided on the Council's systems.

Appendices:

Appendix A – Internal Audit Plan 2016 to 2019.

Background Papers: None