

Audit Committee

24th March 2017



Report of: Head of Internal Audit

Title: Internal Audit Draft Annual Plan for 2017/18

Ward:

Officer Presenting Report: Alison Mullis, Head of Internal Audit (J/S)

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Recommendation

The Audit Committee is recommended to review and comment upon the draft internal audit plan which has been extensively consulted on. The Committee should ensure it covers areas over which they require audit assurances.

Summary

This report and attached Draft Internal Audit Plan for 2017/18 provides the Committee with details of the planned audit work for 2017/18.

The significant issues in the report are:

The methodology utilised to formulate and consult on the plan (Section 2)

Key features of the Plan (Section 4)

The draft Plan at Appendix (1)



Policy

1. The Audit Committee Terms of Reference includes overseeing the activity of Internal Audit.

Consultation

2. Internal

Extended Leadership Team, Individual Directorate Leadership Teams, S151 Officer and Cabinet Member for Finance, Governance and Performance.

3. External

Currently in conversation with external Auditor BDO LLP.

Context

4. The Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end, it should seek assurance that the key areas that contribute to this framework are operating properly.

The Council's Internal Audit service is a key component of the assurance framework and the Audit Committee's Terms of Reference includes a requirement to provide independent assurance to the Council in relation to internal audit activity. The Audit Committee need to consider if the planned Internal Audit work is appropriate and sufficient to provide the Committee with the assurance it requires. Public Sector Internal Audit Standards 2013 include guidance that the Committee should review, assess and, when finalised, approve the Internal Audit work plan.

Proposal

5. The Audit Committee to satisfy itself, that the Internal Audit draft plan for 2017/18 includes all areas where it requires assurance with regards to the Council's Control, Risk and Governance framework, and when satisfied, that the Committee approves the plan in principle.

Other Options Considered

6. None necessary

Risk Assessment

7. An adequate and effective internal audit service, as well as a statutory requirement, is an integral part of good governance. A sound Internal Audit planning process minimises the risk of non-compliance with statute and good practice, and at the same time maximises the value that Internal Audit adds to the Council's governance arrangements and internal control environment.

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected

characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

8b) Not Applicable

Legal and Resource Implications

Legal – Not Applicable

Financial – Not Applicable

Land – Not Applicable

Personnel – Not Applicable

Appendices:

- **Appendix (1) – Internal Audit Draft Plan Report and Draft Plan for 2017/18**

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Audit Planning Files, Corporate and Directorate Risk Registers, Public Sector Internal Audit Standards.

