

Item 11 Internal Audit Plan 2016/17

Report of the Audit Panel Lead Member

(Portfolio: Economic)

Recommended:

That the views and recommendations of the Audit Panel members at their meeting of 14 March 2016 be endorsed and that the contents of the annex to this report be noted.

SUMMARY:

- This report presents the Annual Audit Plan for 2016/17 which has been aligned to current risks and reflects the Councils' key priorities and objectives.
- The Audit Plan for 2016/17 has been compiled following full consultation with Senior management and is supported by the Officers Management Team.

Please see Annex 1 for the Audit Plan for 2016/17.

1 Introduction

- 1.1 The Annual Audit Plan for 2016/17 is shown in Annex 1 to this report.
- 1.2 The scope of audits included in the plan enable a continuing assurance opinion to be provided on the adequacy and effectiveness of the Council's internal control framework and has been reviewed to ensure it continues to reflect the Councils' key priorities and objectives.
- 1.3 A risk assessment has ensured that the Corporate and Service risk registers, in consultation with all Heads of Service and Senior Management, inform the plan and that the audit resource required is matched against available resources.
- 1.4 The Internal Audit Team continues to develop an assurance role on projects and the transformation of processes which has been recognised by senior management as adding value in 2015/16 and is reflected in the 2016/17 plan.

2 Audit Panel views and recommendations

- 2.1 At its meeting on 14 March, 2016, the Audit Panel considered the Internal Audit Plan in detail.

2.2 Councillor Tilling queried the 2 columns in Annex 1 and the fact that there are no figures in column 1. The Shared Internal Audit Manager explained that due to the variable nature of the audit plan it was difficult to present year on year comparable figures without extending the work plan, but said that he would try to address this issue next year.

2.3 Due to a stringent timetable being already in place, the Shared Internal Audit Manager assured the Panel that the completion timescale would be met with no issues.

2.4 The Panel congratulated the Internal Audit Team on all their hard work and were reasonably satisfied that the Audit Plan provided adequate coverage of the core, service, project and emerging risks facing the Council.

2.5 *The Audit Panel recommended that the Internal Audit Plan for 2016/17 be approved.*

3 Corporate Objectives and Priorities

3.1 The work of the Internal Audit Function supports the Council's corporate plan priorities and values, by ensuring that the Council makes the most of its available resources and transforms the way it works, to provide even better value for money and effective service delivery.

4 Consultations/Communications

4.1 The External Auditors have been consulted and have agreed in principle the scope of the audit plan for 2016/17.

4.2 Management have been consulted and have agreed the scope of the audit reviews and the actions arising.

4.3 The Internal Audit Plan for 2016/17 has involved full consultation with senior management and the Audit Panel.

5 Options

5.1 In accordance with best professional practice, currently CIPFA/CIIA's Public Sector Internal Audit Standards (2013), each year a plan is produced and internal audit resources allocated to the areas of the Council's activity which need to be reviewed during the year.

5.2 The Council has limited options in this matter as without this the Council is at risk of providing inadequate audit coverage on high-risk areas and no assurance on the control environment.

6 Risk Management

6.1 The annual audit plan 2016/17 is based on the Council's risk registers and Internal Audit contributes towards the overall corporate governance framework of assurance.

7 Resource Implications

- 7.1 The audit plan for 2016/17 is resourced by 2.8 full time equivalent auditors employed by Test Valley Borough Council and 0.4 full time equivalent of an Audit Manager’s time.
- 7.2 The available days have been calculated after deduction of non-operational time such as annual leave, possible sickness and training for operational auditors.

8 Equality Issues

- 8.1 The report is for information purposes, so the Council’s EQIA process does not need to be applied.

9 Conclusion

- 9.1 This report and Annex 1 provide the Audit plan for 2016/17.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<u>Confidentiality</u> It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1		
Author:	Councillor Finlay	Ext:	
File Ref:			
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