



AUDIT COMMITTEE

5TH APRIL 2016

AGENDA ITEM (12)

INTERNAL AUDIT ANNUAL PLAN 2016/17

Accountable Members	Audit Committee
Accountable Officer	Robert Milford Head of Audit Cotswolds 01285 623350 robert.milford@cotswold.gov.uk
Report Author	Lucy Cater Head of Internal Audit (Operational) 01285 623340 lucy.cater@cotswold.gov.uk
Purpose of Report	To present the Internal Audit Annual Plan for consideration and approval
Recommendation(s)	That the Internal Audit Annual Plan 2016/17 be approved
Reason(s) for Recommendation(s)	The work of Internal Audit is carried out in accordance with, and is assessed against, the Public Sector Internal Audit Standards 2013 (PSIAS). These Standards require the Chief Internal Auditor to produce an Annual Risk Based Internal Audit Plan to determine the priorities of the internal audit activity.
Ward(s) Affected	N/A
Key Decision	No
Recommendation to Council	No
Financial Implications	As detailed within the report
Legal and Human Rights Implications	As detailed within the report
Environmental and Sustainability Implications	N/A
Human Resource Implications	As detailed within the report
Key Risks	Internal Audit activity is needed each year to satisfy assurance requirements. For example, the requirement for the Council to review its systems of internal control and governance procedures relating to the Annual Governance Statement

Equalities Impact Assessment	Not Required
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Related Decisions	No
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Background Documents	Audit reports
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Appendices	Appendix 'A' - Internal Audit Plan 2016/17
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Performance Management Follow Up	Performance is monitored by the Audit Partnership Board under the Section 101 Agreement effective from 1 st April 2012. The Section 151 Officer represents the Council's interests on this Board
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Options for Joint Working	The Audit Plan is delivered by Audit Cotswolds, a joint working initiative
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Background Information

1. The primary role of Internal Audit is to provide assurance that the Council's systems constitute a proper administration of its affairs. To this end, Internal Audit carries out a programme of audits that is agreed annually with Corporate Team and Heads of Service.

2. Due to the Public Sector Internal Audit Standards (PSIAS) and changes of core systems, Audit Cotswolds, as the Internal Audit provider, needs to respond to the changing environment and the areas where the organisation now requires assurances. The introduction of GO shared Service (GOSS) - a partnership arrangement for the delivery of core financial, human resources and procurement systems; the arrangement all impact on service delivery processes and on core governance arrangements. This reinforces the requirement for Internal Audit to follow a more flexible and risk based plan.

3. The core financial systems delivered to the Council by GOSS are covered within the GOSS Audit Plan. This will cover GOSS and client side activities providing:-

- assurance to the GOSS Management Team and the Client Officer Group over the controls operating for the clients;
- assurance to the clients over the controls operating within GOSS financials, within the services they provide, and an assurance level for each financial module;
- assurance to the clients over the controls operating within client side activities for GOSS;
- periodic assurance over the other aspects of GOSS provided services;
- the required support to the External Auditor.

4. A summary of the Internal Audit Plan for 2016/17 is attached at **Appendix 'A'**. This lists the risk based assurance and consultancy work planned for the year. Counter Fraud related audit work has not been included in this audit plan. Audit Cotswolds operate a Counter Fraud Unit which will undertake proactive fraud reviews and also provide a reactive service to the Council, should the need arise.

5. The Annual Audit Plan outlines a preferred programme of work for 2016/17 as developed throughout January and February 2016. The Audit Plan presented is not 'set in stone', and may evolve in response to issues highlighted through risk and change management and monitoring.

6. Audit Cotswolds has two further partners, Cheltenham Borough Council and West Oxfordshire District Council, and four further clients, Ubico Ltd., the 2020 Vision Partnership, The Cheltenham Trust and Cheltenham Borough Homes, so co-ordinating and allocating fixed resources across multiple organisations is critical to the success of the Audit Cotswolds Partnership and the delivery of all audit plans

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