



**AGENDA ITEM (12)**

**INTERNAL AUDIT ANNUAL PLAN 2017/18**

<b>Accountable Members</b>	Audit Committee
<b>Accountable Officer</b>	Lucy Cater Acting Head of Audit Cotswolds 01285 623340 Lucy.Cater@cotswold.gov.uk

<b>Purpose of Report</b>	To present the Internal Audit Annual Plan for consideration and approval
<b>Recommendation(s)</b>	<b>That the Internal Audit Annual Plan for 2017/18 be approved</b>
<b>Reason(s) for Recommendation(s)</b>	The work of Internal Audit is carried out in accordance with, and is assessed against, the Public Sector Internal Audit Standards 2016 (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.

<b>Ward(s) Affected</b>	N/A
<b>Key Decision</b>	No
<b>Recommendation to Council</b>	No

<b>Financial Implications</b>	As detailed within the report
<b>Legal and Human Rights Implications</b>	As detailed within the report
<b>Environmental and Sustainability Implications</b>	N/A
<b>Human Resource Implications</b>	As detailed within the report
<b>Key Risks</b>	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
<b>Equalities Impact Assessment</b>	Not Required

<b>Related Decisions</b>	No
<b>Background Documents</b>	Audit reports
<b>Appendices</b>	<b>Appendix 'A'</b> - Internal Audit Plan 2017/18

<b>Performance Management Follow Up</b>	Performance for the 2017/18 Audit Plan will be monitored by the S151 Officer in liaison with the South West Audit Partnership (SWAP)
---	--

<b>Options for Joint Working</b>	The Audit Plan will be delivered by SWAP (South West Audit Partnership), a teckal company
----------------------------------	---

### 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 development of shared services and now the 2020 Partnership arrangement (to become Publica) all impact on service delivery processes and on core governance arrangements. Therefore, Audit Cotswolds, as the Internal Audit provider, needs to respond to the changing environment and the areas where the organisation now requires assurances. 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 GO Shared Services (GOSS) (now part of the 2020 Partnership service delivery vehicle, Publica) 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 it provides, 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 2017/18 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 to this audit plan.
5. The Annual Audit Plan outlines a preferred programme of work for 2017/18 as developed throughout January and February 2017. 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 three further clients, Ubico Ltd., the 2020 Partnership (to become Publica), 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.

7. It has been proposed that Audit Cotswolds staff will transfer to the South West Audit Partnership (SWAP) under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) with effect from 1<sup>st</sup> April 2017. We have been advised that there are no intended changes to work base or locations of the staff transferring and, therefore, the same team will continue to undertake the Council's Audit Plan.

(END)