



AUDIT COMMITTEE

30TH APRIL 2018

AGENDA ITEM (10)

INTERNAL AUDIT ANNUAL PLAN 2018/19

Accountable Members	Audit Committee
Accountable Officer	Lucy Cater Assistant Director - SWAP Internal Audit Services 01285 623340 lucy.cater@southwestaudit.co.uk

Purpose of Report	To present the Internal Audit Plan for consideration and approval. To present the updated Internal Audit Charter for consideration and approval.
Recommendation(s)	That the Internal Audit Annual Plan for 2018/19 and the Internal Audit Charter 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 (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	N/A
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Background Documents	None
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Appendices	Appendix 'A' - Internal Audit Plan 2018/19 Appendix 'B' - Internal Audit Charter 2018/19
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Performance Management Follow Up	Performance of the 2018/19 Audit Plan will be monitored by the Section 151 Officer in liaison with the South West Audit Partnership (SWAP) and will be reported regularly to the Audit Committee.
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Options for Joint Working	The Audit Plan will be delivered by SWAP (South West Audit Partnership) Internal Audit Services. SWAP is a Teckal company; the Council is one of the shareholders.
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Background Information	
1 <u>Internal Audit Plan 2018/19</u>	
1.1. The primary role of Internal Audit is to provide assurance that the Council's systems provide for a proper administration of its affairs. To this end, Internal Audit carries out a programme of audits that is agreed annually with the Council's Management Team and the Audit Committee. The Internal Audit service is provided to the Council by the South West Internal Audit Services (SWAP).	
1.2. In order to satisfy the requirements of the Public Sector Internal Audit Standards (PSIAS) and to reflect changes within the Council, SWAP needs to focus upon areas where the organisation now requires assurance. This reinforces the requirement for Internal Audit to follow a more flexible and risk based plan.	
1.3. The core financial systems delivered to the Council by Publica are covered within the Core Financials section of the Audit Plan. The scope of audits will include both Publica and client-side activities providing;	
<ul style="list-style-type: none"> • Assurance to the client (Cotswold District Council) over the controls operated by Publica Officers, within the services they provide; and an assurance level for the operation of each financial module of the Business World computer system (system control testing). • Periodic assurance over the other aspects of Publica provided services. • The required support to the External Auditor. 	
1.4. A summary of the Internal Audit Plan for 2018/19 is included in the 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.	
1.5. The Plan outlines a preferred programme of work for 2018/19 as developed throughout January and February 2018. The Audit Plan presented is not "set in stone" and may evolve in response to issues highlighted through risk and change management and monitoring. Any changes to the agreed plan will only be made through a formal process involving the Section 151 Officer.	
2. <u>Internal Audit Charter 2018/19</u>	
2.1 The Internal Audit Charter is a requirement of the arrangement between Cotswold District Council and SWAP. The charter ensures compliance with good practice as set out in the International Professional Practices Framework of the Institute of Internal Auditors and the Public	

Sector Internal Audit Standards (PSIAS).

2.2 The Charter demonstrates how the Internal Audit service will operate, and forms part of the requirements of the Public Sector Internal Audit Standards.

2.3. The Charter provides guidance on authority, accountability, customer care (quality control), independence, reporting, responsibility and audit standards.

2.4. Without an approved charter there is a risk that SWAP will not have:

- The support of management and the Council
- Direct access and freedom to support senior management including the Head of Paid Service and the Audit Committee
- Access to any records, personnel or physical property of the Council for audit work.

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