

Report of the Chief Auditor

Audit Committee – 19 April 2016

INTERNAL AUDIT ANNUAL PLAN 2016/17

Purpose:	This report presents the Internal Audit Annual Plan 2016/17 to the Audit Committee for approval.
Policy Framework:	None
Reason for Decision:	To allow the Audit Committee to discuss and approve the Internal Audit Annual Plan 2016/17
Consultation:	Legal, Finance, Access to Services
Recommendation:	It is recommended that: the Committee approves the Internal Audit Annual Plan 2016/17
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Finance Officer:	Paul Beynon
Legal Officer:	Sharon Heys
Access to Services Officer:	Sherill Hopkins

1. Introduction

- 1.1 A risk based Internal Audit Annual Plan is prepared each year which is used to guide the work of the Internal Audit Section and ensure sufficient audit coverage to allow the Chief Auditor to deliver the annual opinion on control as well as providing assurance to the Audit Committee and Section 151 Officer.
- 1.2 The methodology used to prepare the Annual Plan was reported to the Committee at the meeting on 16 February 2016.
- 1.3 This report presents the Internal Audit Annual Plan 2016/17 to Committee for approval.

2. Internal Audit Annual Plan 2016/17

- 2.1 For 2016/17, the Internal Audit Section is made up of 10.5 staff excluding the Chief Auditor which is a reduction of 0.5 of an Auditor post compared to 2015/16. This 0.5 post was held vacant during

2015/16 and has now been permanently removed from the establishment.

- 2.2 There are currently 1.5 Auditor posts vacant although 1 post is being covered by an agency auditor. The 1.5 posts will shortly be advertised for recruitment on a permanent basis. However, for the purpose of the Annual Plan 2016/17 it has been assumed that the 0.5 post will be vacant until 1 June 2016.
- 2.3 A summary of the Internal Audit Plan 2016/17 is shown in Appendix 1 and a list of audits planned for the year is shown in Appendix 2 along with the number of days planned for each audit.
- 2.4 There is a reduction in the total number of days available due to the reduction of 0.5 of a post but overall the number of productive days available has increased by 70 as shown in Appendix 1
- 2.5 The increase in productive days is due to a reduction in staff training (-36 days) due to a member of staff no longer undertaking professional accountancy training, less planned days for vacancies (-58 days) and a voluntary reduction in hours for one member of staff (-18 days).
- 2.6 The savings in non-productive days identified above have been partially offset by an increase of 26 days for sick leave based on the experience of increasing levels of sick leave during 2015/16. The planned number of days for contingency has remained unchanged at 100 days to ensure that the Audit Plan is as realistic as possible.
- 2.7 The Internal Audit Plan 2016/17 accommodates the audits which were deferred from the 2015/16 of around 450 days and also includes new audits with a total of 110 days.
- 2.8 To accommodate the audits deferred from 2015/16 and the new audits and also to match the Audit Needs Assessment to the available resources, audits totalling 385 days which were due in 2016/17 have been deferred to 2017/18.
- 2.9 The number of audits deferred continues to reduce compared to previous years and as noted above allows for new audits to be included in the Plan. This is due to the full year impact of changes introduced during 2015/16 such as the increased use of self-assessment questionnaires and the Corporate Fraud Team.
- 2.10 As in previous years, progress made by the Internal Audit Section in achieving the Audit Plan will be reported to the Audit Committee on a quarterly basis.
- 2.11 It is the view of the Chief Auditor that the proposed Internal Audit Plan 2016/17 will provide sufficient audit coverage for the annual opinion

on internal control to be delivered to the Council via the Section 151 Officer and Audit Committee.

3. Equality and Engagement Implications

3.1 There are no equality and engagement implications associated with this report.

4. Financial Implications

4.1 There are no financial implications associated with this report.

5. Legal Implications

5.1 There are no legal implications associated with this report.

Background Papers: Internal Audit Plan 2016/17

Appendices: Appendix 1 Internal Audit Annual Plan 2016/17 – Summary
Appendix 2 Internal Audit Annual Plan 2016/17