

**Committee: Performance & Audit Committee**

**Agenda Item**

**Date: 11 February 2016**

**7**

**Title: Internal Audit Work Programme 2016/17**

**Author: Sheila Bronson  
Internal Audit Manager  
01799 510610**

Item for decision

---

## Summary

1. The purpose of this report is to present to Members the details of the proposed Internal Audit work areas for 2016/17.

## Recommendations

2. That Members approve the proposed Internal Audit work areas for 2016/17 and consider any additional areas for Internal Audit work during in 2016/17.

## Financial Implications

3. None. There are no costs associated with the recommendations.

## Background Papers

None.

## Impact

- 4.

Communication/Consultation	The Internal Audit Work Programme 2016/17 referred to in this report has been agreed with Corporate Management Team at its meeting 27 January 2016
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

## Situation

- Internal Audit is part of the Council's corporate governance framework. Corporate governance is defined as the system by which local authorities direct and control their functions. The requirement for adequate and effective Internal Audit is statutory for all local authorities.
- With effect from 1 April 2013, the work of Uttlesford District Council's (UDC) Internal Audit is governed by the UK Public Sector Internal Audit Standards (PSIAS) which have replaced the CIPFA Code of Practice for Internal Audit in the UK. The PSIAS require that there must be a risk-based internal audit plan that takes into account the requirement to produce an annual internal audit opinion and assurance framework and the plan must be reviewed and approved by senior management (CMT) and the board (Performance & Audit Committee).
- In 2011/12 we adopted the methodology of a rolling programme of risk based internal audit work to meet requirements and resources during the year.

## Internal Audit Work Areas 2016/17

- The rolling programme of Internal Audit work for 2016/17 will subject to regular review and updating half-yearly and at any other time as necessary.
- The available audit days have been calculated on the resources of:
  - 1 x Audit Manager
  - 1 x FT Internal Auditor
  - 1 x 0.67 FTE Internal Auditor
- The initial Internal Work Programme for 2016/17 is calculated on the allocation of audit days calculated as follows:

<b>total days available</b>	<b>697</b>
(262 working days x 2.67 officers)	
<b>Less - leave provisions</b>	<b>-122</b>
annual leave	76
bank holidays	16
sick leave	15
study leave	15
<b>Less Non-audit time</b>	<b>-131</b>
audit admin, management, planning, U-perform, training, CPD etc	
<b>Total available Productive Time</b>	<b>444</b>
<b>Less - Non-specific productive audit work</b>	<b>-145</b>
contribution to corporate management	33
consultancy & general advice	28
committee & members related	15
fraud related	25
irregularity provision	20
follow-up	8
residual 2015/16 audit work	10
Other e.g. External Audit, corporate training	6

**Days available for Programmed Audit Work 2016/17** **299**

- The 2016/17 programme audit work is risk based as far as is possible; our priorities for audits are:

- Corporate Plan Actions / Corporate & Strategic Risks / Key Performance Indicators;

2. Key Financials –statutory audits;
  3. Internal Audit identified high risk areas;
  4. Specifically requested risk areas or services;
  5. Audits carried forward from the 2015/16 plan;
  6. Overdue audits from the strategic plan.
12. The areas currently under consideration for audit work throughout 2016/17 are detailed in the Internal Audit Work Programme at Appendix A(i) and crossed referenced to the corresponding 2016- 2021 Corporate Plan (draft) and/or the most recent Corporate Risks Register (qtr2 of 2015/16 at the time of preparation of this report).
13. The key financial and other areas included in the Strategic Programme are reviewed annually. The 2016/17 Strategic Programme is reproduced in Appendix A(ii).
14. Once Corporate Plan & Directorate Plan Actions & Risks 2016/17 have been confirmed, the Internal Audit Work Programme for the first 6 months of 2016/17 will be agreed with the Corporate Management Team and presented to the next meeting of this Committee along with the Internal Audit Strategy 2016/17
15. All revisions to the programme will be reported to the Committee through Internal Audit Progress Reports.

## Risk Analysis

16.

Risk	Likelihood	Impact	Mitigating actions
The Council does not provide for an adequate and effective internal audit function	1 Internal Audit function is an integral part of the Council	3 Statutory requirement, adverse External Auditor comment	Strategic audit programme approved by Senior Officers and Members, reconciled to available audit resource
The Council's audit environment changes and available audit resource is no longer sufficient	2 No spare capacity if unforeseen long term absence of staff	2 Review of audit plan leading to reduction of audit coverage. Potential shared / joint working agreements with neighbouring authorities	Regular monitoring and highlighting potential shortfall

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.