

<b>Committee:</b>	Governance. Audit & Performance Committee	<b>Date:</b>	17 May 2018
<b>Title:</b>	Draft Internal Audit Work Programme 2018/19		
<b>Author:</b>	Sheila Bronson, Internal Audit Manager, 01799 510610	<b>Item for decision:</b>	Yes

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## Summary

1. The purpose of this report is to present to Members the details of the proposed draft Internal Audit Work Programme for 2018/19.

## Recommendations

2. That Members approve the proposed draft Internal Audit Work Programme for 2018/19 and consider any additional areas for Internal Audit work during in 2018/19.

## Financial Implications

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

## Background Papers

None.

## Impact

- 4.

Communication/Consultation	The draft Internal Audit Work Programme 2018/19 referred to in this report has been agreed with Corporate Management Team at its meeting 04 April 2018 and discussed with the Senior Management Team at its meetings in March and April 2018
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none

Ward-specific impacts	none
Workforce/Workplace	none

## Situation

5. 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.
6. 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).
7. 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.

## Draft Internal Audit Work Programme 2018/19

8. Until 31 July 2018, the Audit Manager is on secondment to the General Data Protection Regulation (GDPR) Project Team and the part-time internal auditor seconded to full time to provide audit cover. The Audit Manager's GDPR and other data protection commitments after 25 May 2018 are still to be confirmed. This draft Internal Audit Programme for 2018/19 will be reviewed and the Internal Audit Strategy 2018/19 with a revised Internal Audit Programme for 2018/19 present to this committee at its meeting in July 2108. Any further revisions to the programme will be reported to the Committee through Internal Audit Progress Reports.
9. No audit days for the Audit Manager have been included the calculation of the available audit days, these have been calculated on the resources of:
  - 1 x FT Internal Auditor – from 01 April 2018 – 31 March 2019
  - 1 x FT Internal Auditor – from 01 April 2018 – 31 July 2018
  - 1 x 0.67 FTE Internal Auditor – from 01 August 2018 – 31 March 2019
10. The initial Internal Work Programme for 2018/19 allocation of audit days calculated as follows:

<b>Total Days available</b>	463
Less non-productive (e.g. bank holidays, leave, admin, CPD, Training etc.)	<u>-136</u>
<b>Total available productive time</b>	327

Less Productive non-audit work - 52  
(e.g. Annual Governance Statement; consultancy & general advice;  
Committee & Member related work;  
Contribution to Corporate Management; fraud related work;  
irregularity provision; follow-up work; residual 2017/18 work etc.)

**Total days available for planned audit work 275**

11. The 2018/19 programme audit work is risk based as far as is possible; our priorities for audits are:

1. Corporate Plan Actions / Corporate & Strategic Risks / Key Performance Indicators (latest data available at the time of preparation of this report);
2. Key Financials –statutory audits (audited on a 3 year cycle);
3. Internal Audit identified high risk areas;
4. Specifically requested risk areas or services;
5. Audits carried forward from the 2017/18 plan;
6. Overdue audits from the strategic plan.

12. The draft Internal Audit Work Programme 2018/19 detailing the areas currently under consideration for audit work throughout 2018/19 is reproduced in Appendix A(i).

13. The 2018/19 Strategic Programme details all of the potential audit areas and the information on which the audit risk assessment has been based and is reproduced in Appendix A(ii).

## Risk Analysis

14.

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.	Regular monitoring and highlighting potential shortfall

		Potential shared / joint working agreements with neighbouring authorities	
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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.