

Open Report on behalf of Pete Moore, Executive Director Resources & Community Safety

Report to:	Audit Committee
Date:	31 March 2014
Subject:	Draft Internal Audit Plan 2014/15

Summary:

This report presents to the Committee the draft internal audit plan for 2014/15.

Recommendation(s):

That the Committee agrees the audit plan for 2014/15.

Background

The Internal Audit Section works to an annual plan of work which is agreed by the Audit Committee and Senior Management.

The plan has been developed using the Council's Combined Assurance Model which is a record of all assurances against our critical activities and key risks.

Using the Combined Assurance Model helps streamline and avoid duplication of effort where assurances can be drawn from other sources eg management – corporate functions - third parties. It provides coverage of all assurance – not just those from Internal Audit and will enable the Head of Audit to produce the annual internal audit opinion for 2015.

Internal Audit continues to have the right to conduct its own assurance activity freely and independently in order to meet its role and remit – even if there appears to be a good level management or alternative assurance in place. However, the Map has enabled the reasons why we have included areas in our plan to be clearly understood by Management.

Our work tends to focus on where current assurances have been critically assessed as having a low or medium level of confidence on service delivery arrangements – management of risks – effective control environment or where more independent assurance is required - based on significance and risk of the activity. It also takes into account the relative risks of the activity which may result in some low risk areas not being audited.

The plan includes:

- Critical systems - those areas identified by senior management as having the most impact on the successful delivery of Council priorities or whose failure could result in significant damage to reputation, financial loss, impact on people. For example review of :
 - o Joint Commissioning Board
 - o CfBT Contract
 - o Safeguarding – organisational learning (linked to both Children and Adults serious case reviews)
 - o Joint Local Plan
 - o Joint Waste Strategy
 - o Information Governance
- Due Diligence, those systems that support the running of the Council and ensure compliance with key policies. For example review of :
 - o Key financial Systems
 - o ICT infrastructure and service delivery
 - o Contracts
- Key projects - for example assurance over :
 - o Commissioning for Lincolnshire
- ICT systems - for example review of :
 - o New case management system
 - o New financial system and associated business processes
- Emerging and strategic risk areas
 - o Managing demand
 - o Financial resilience / fundamental budget review

Attached is the draft internal audit plan for 2014/15 – **Appendix A**.

Our Internal Audit Strategy sets out how we determine our work plan – this is attached in **Appendix B**.

We have scheduled meetings in March 2014 with each Executive Director to consult and agree the areas included in the plan. Any suggested changes during this consultation will be reported to the Committee.

CIPFA's Audit Committees practical Guidance for Local Authorities and Police - 2013 Edition includes the following core functions around Internal Audit relevant to the plan:

- The Committee should seek to make the best use of the internal audit resource within the Council's Assurance Framework – confirming that the plan takes into account the requirement for the annual Head of Audit opinion – which can be used to inform the Annual Governance Statement eg
 - o How will the plan contribute to the annual opinion and Annual Governance Statement?
 - o Is Internal Audit work focussing on matters most?

- Approve (but not direct) the risk based plan, taking into account the other sources of assurance available.
- How will the Committee obtain assurance from other sources?
- Consider the sufficiency of resources to deliver the plan – skills, expertise and experience.

Conclusion

The Committee is asked to agree the draft plan, identifying any amendment that is considered appropriate.

Consultation

a) Policy Proofing Actions Required

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Draft Internal Audit Plan 2014/15
Appendix B	Internal Audit Strategy

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Lucy Pledge, who can be contacted on 01522-553692 or lucy.pledge@lincolnshire.gov.uk.