

Regulatory and Other Committee

Open Report on behalf of Pete Moore, Executive Director Finance and Public Protection

Report to:	Audit Committee
Date:	26 March 2018
Subject:	Draft Internal Audit Plan 2018/19

Summary:

This report presents to the Committee the draft internal audit plan for 2018/19

Recommendation(s):

That the Committee agrees the audit plan for 2018/19 subject to any suggested changes the Committee wishes to make.

Background

1. The Internal Audit Section works to an annual plan which is agreed by the Audit Committee and Senior Management.
2. The plan has been developed using a combination of:
 - the Council's Combined Assurance Model - which is a record of all assurances against our critical activities and key risks.
 - an assessment of risk - based on the significance and sensitivity of key activities
 - consultation with Senior Management
 - issues raised by the Audit Committee
3. 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. The Combined Assurance Model 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 2018/19.
4. Internal Audit continues to have the right to conduct its own assurance activity freely and independently 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.

5. 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.
6. Attached is the draft internal audit plan for 2018/19– **Appendix A**.
7. We have conducted meetings in January and February 2018 with each Executive Director to consult and agree the areas included in the plan.
8. 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:
 - That the Internal Audit Plan focuses on the key risks facing the Council and is adequate to support the Head of Audit opinion.
 - Confirm that the plan achieves a balance between setting out the planned work for the year and retaining flexibility to changing risks and priorities during the year.
 - Ensure that the Internal Audit Resource has sufficient capacity and capability to deliver the plan.
 - Seek an understanding of what assurances Internal Audit will be providing the Committee to help it discharge its terms of reference.
 - Assess how the Committee may seek and obtain assurance from other sources during the year – e.g. management and corporate functions / third parties.

Conclusion

9. The Committee is asked to agree the draft plan, identifying any amendments which it considers 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 2018/19

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.

This page is intentionally left blank