

AUDIT COMMITTEE

Date of Meeting	Wednesday, 16 March 2016
Report Subject	Internal Audit Strategic Plan
Cabinet Member	n/a
Report Author	Internal Audit Manager
Category	Strategic

EXECUTIVE SUMMARY

All principle local authorities subject to the Accounts and Audit (Wales) Regulations must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control. It must make provision for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note issued alongside it.

In line with the Standards internal audit must produce a risk based plan, taking into account the need to produce an annual audit opinion and linked to the organisation's objectives and priorities.

The three year Internal Audit Strategic Plan is attached, Appendix A. The first year of the plan is completed in greater detail, giving the number of audit days planned for each assignment. It will be updated on an ongoing basis and formally at the end of each year.

RECOMMENDATIONS

1	<p>The Committee is requested to consider the internal audit strategic plan and to make comments on its content. In doing so the committee is asked to consider</p> <ul style="list-style-type: none"> Does the three year strategic plan for Internal Audit as set out in Appendix A reflect the areas that the Committee believe should be covered? Does the first year of the plan reflect the areas that should be
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	<p>prioritised?</p> <ul style="list-style-type: none"> Is the level of audit resource accepted by the Committee and agreed as appropriate, given the level of assurance required?
2	The Committee is requested to approve the Internal Audit Strategic Plan.

REPORT DETAILS

1.00	EXPLAINING THE INTERNAL AUDIT STRATEGIC PLAN
1.01	Each year Internal Audit prepare a three year rolling audit plan, with the first year completed in more detail. The plan is designed to meet the professional standards required of us in order to review and evaluate the risk management, control and governance arrangements within the Authority.
1.02	The Council's Improvement Plan gives strategic risks, which are aligned to the Council's objectives. The Internal Audit plan which is attached is largely based on these objectives and risks, along with operational risks identified from Programme Boards and discussions with management.
1.03	The final plan was produced after consultation with Portfolio management teams, the Chief Executive and Chief Officer Team. WAO have also been contacted. It includes risk based and systems audits as well as advisory work arising from our involvement in development projects and value for money reviews.
1.04	The plan for 2016/17 has been formulated for the current level of resource. It includes contingencies for investigations and requests. However, it will need to remain flexible to react to changes as they occur during the year.

2.00	RESOURCE IMPLICATIONS
2.01	None from this report. The resources needed for the plan use the resources available.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Consultation carried out with Portfolio management teams, the Chief Officer Team, the Chief Executive and Wales Audit Office.

4.00	RISK MANAGEMENT
4.01	Internal Audit is part of the governance framework and provides assurance on governance, risk management and internal control. The plan needs to provide the basis for that assurance over the coming years.

5.00	APPENDICES
5.01	Appendix A – Draft Internal Audit Strategic Plan.
6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: David Webster – Internal Audit Manager Telephone: 01352 702248 E-mail: david.webster@flintshire.gov.uk
7.00	GLOSSARY OF TERMS
7.01	<p>Improvement Plan: the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish an Improvement Plan.</p> <p>Corporate Governance: the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p>Alternative Delivery Models: operating models which are different from current or traditional methods of service delivery and which are responding to changed situations to sustain important services.</p> <p>Medium Term Financial Strategy: a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p> <p>Wales Audit Office: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p>IDEA: Audit sampling software that enables us to compare large amounts of data to identify matches or duplicates.</p> <p>CAMMS: an integrated planning, risk management and programme/project management and reporting system.</p> <p>Risk Management: the process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p> <p>P2P: Purchase to Pay. An electronic system used within the Authority to manage purchasing.</p>