

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

31 MARCH 2017

INTERNAL AUDIT PLANS FOR 2017 / 2018

RECOMMENDATION:

That Audit and Corporate Governance Committee endorse:

- **The Audit Charter;**
- **The Internal Audit Code of Ethics; and**
- **The Internal Audit Plan and Strategy 2017 / 2018**

1. INTRODUCTION

- 1.1 This is the Internal Audit Plan for 2017 / 2018 for consideration by Audit and Corporate Governance Committee, together with the associated documents which have been established in accordance with best practice as laid down in the Public Sector Internal Audit Standards (PSIAS).

2. THE AUDIT CHARTER (APPENDIX A)

- 2.1 The PSIAS have been primarily introduced to:

- Define the nature of internal auditing;
- Set basic principles for carrying out internal audit;
- Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations; and
- Establish the basis for the evaluation of internal audit performance and to drive improvement planning.

- 2.2 As part of evidencing that these requirements are being adhered to, there is a duty on Internal Audit to have a Charter which demonstrates how these elements are being handled and managed.

3. CODE OF ETHICS (APPENDIX B)

- 3.1 The Code of Ethics sets out the expected behaviours of Internal Audit staff in relation to service delivery. The basis of standards of conduct mirrors the obligations as per the PSIAS as well as any organisational Codes of Ethics or Conduct relating to their employer.

4. INTERNAL AUDIT PLAN (APPENDIX C)

- 4.1 The overarching objective of the Audit Plan is to provide a comprehensive programme of review work, sufficient to enable an informed annual opinion and to develop the organisation's Annual Governance Statement. We have produced an Audit Plan which satisfies the obligations of the PSIAS, and provides an acceptable minimum level of audit coverage capable of generating the requisite audit assurances

to the organisation, whilst also being affordable. There are activities identified within the plan where assurance will be obtained from our shared service partners who are the lead authority for certain services.

4.2 The Internal Audit Plan for 2017 / 2018 has been developed using a risk-based approach. The plan has been formulated from reviews of the following:

- i) Corporate and service level risks and an assessment of mitigating controls;
- ii) Areas of significant change or concern within the council; and
- iii) Key projects / partnerships being undertaken

4.3 The areas requiring assurance have been allocated over the objectives defined in the Corporate Plan in order to provide a clear link that audit activity is aligned to the Council vision.

4.4 If there are any significant additional requests required by Members or officers which leads to the potential for resources required exceeding the amount set-aside, then the shared HoIA will establish the course of action to be taken in consultation with the Executive Director (Corporate Services). In the event of this occurring, a separate report will be produced to inform all Members of the Committee.

4.5 The results of the work set out in the Internal Audit plan will be the production of the annual opinion by the HoIA for this Committee.

5. CONSULTATION

5.1 The documents submitted for endorsement have been through extensive consultation with all Departmental Management Teams prior to referral to Executive Management Team in February 2017.

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