



**REPORT TO:** Audit and Corporate Governance  
Committee  
**LEAD OFFICER:** Executive Director (Corporate Services)

22<sup>nd</sup> March 2018

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## **Internal Audit Plan 2018/19**

### **Purpose**

1. This report introduces the draft Internal Audit Annual Plan and Strategy, for 2018 / 2019, for consideration by the Audit and Corporate Governance Committee.
2. This is not a key decision because the risk based Internal Audit Plan is being presented to the Audit and Corporate Governance Committee in accordance with their terms of reference.

### **Recommendations**

3. The Audit and Corporate Governance Committee is requested to consider the supporting information, in the appendices, to:
  - (i) approve the draft Audit Plan and Strategy; and
  - (ii) approve the supporting Charter and the Code of Ethics.

### **Reasons for Recommendations**

4. The plan has been subject to consultation with senior management, the Chief Executive, and circulated to the External Auditors.
5. Internal Audit Plans, and associated documents, have been created in line with best practice laid down in the Public Sector Internal Audit Standards (PSIAS) and the accompanying Local Government Application Note (LGAN).
6. The draft Internal Audit Plan should help add value to the Council by helping to improve systems, mitigate risks, and inform the Annual Governance Statement.

### **Background**

7. The Accounts and Audit Regulations 2015 require that the Council “must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes; taking into account public sector internal auditing standards or guidance.”
8. The Public Sector Internal Audit Standards (PSIAS) require that the Head of Audit “must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”.
9. Appendix A is the risk based Internal Audit Plan for 2018 / 2019. It has been based upon the Corporate Plan, risk registers, consultation with key officers, committee reports, information from other assurance processes, plus horizon scanning to consider emerging risks and opportunities.

10. The Internal Audit Charter (Appendix B) and the Code of Ethics (Appendix C) are also included for information. These documents were approved by the Committee last year, and have been reviewed as good practice, considering both the PSIAS and the LGAN. They have been updated to reflect the latest version of the standards, and there are no significant changes. They will also be reviewed this year, as part of an ongoing Quality Assurance and Improvement Programme (QAIP). It is good practice to present these documents as they define internal audit's purpose, authority, responsibility and position within an organization, supporting the risk based audit plan.

### **Considerations**

11. The plan is the work programme for Internal Audit and provides the basis upon which the service will subsequently give an audit opinion on South Cambridgeshire District Council's (SCDC) system of internal control, risk management and corporate governance arrangements.
12. Progress against the plan, and updates, will be regularly reported to the Committee.

### **Implications**

13. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, there are no significant implications.

### **Effect on Strategic Aims**

14. Delivery of the audit plan aims to provide assurance that corporate systems and processes are robust and protect the Council.

### **Background documents**

15. Background papers used in the preparation of this report:
- Risk-Based Internal Auditing – Working Standards and Procedures
  - Public Sector Internal Audit Standards
  - CIPFA Local Government Application Note
  - South Cambridgeshire District Council Risk Registers
  - Corporate Plan

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