
SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

CORPORATE GOVERNANCE COMMITTEE

27 MARCH 2015

INTERNAL AUDIT PLAN FOR 2015 / 2016

RECOMMENDATION:

That Corporate Governance Committee endorse:

- **The Annual Plan 2015 / 2016**
- **The Audit Charter**
- **The Internal Audit Code of Ethics; and**
- **The services performance indicators**

1. INTRODUCTION

- 1.1 This is the Internal Audit Plan for 2015 / 2016 for consideration by 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 1)

- 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 2)

- 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 3)

- 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 2015 / 2016 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 Plan has been broken down into a number of elements:
- a) Core Systems Assurance work. This work covers the Council's key financial systems and provides External Audit with assurance on their control;

- b) Annual Governance and Assurance work;
- c) Corporate / Cross Cutting audits;
- d) Departmental specific audits; and
- e) Other resource allocations.

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 PERFORMANCE INDICATORS (APPENDIX 4)

5.1 As part of the ongoing appraisal of the service, various indicators have been set to ensure delivery against best practice and also to monitor individual and service performance.

6. CONSULTATION

6.1 Ongoing work planning is agreed with External Audit, and reviewed throughout the year to ensure that the work of Internal Audit and External Audit is co-ordinated. A copy of the audit plan has been sent to External Audit for their information. The initial draft Plans were submitted to Directors in February 2015.

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