

Internal Audit Charter Strategy Plan Report

REPORT TO AUDIT AND STANDARDS COMMITTEE



DATE	26/07/2017
PORTFOLIO	Resources and Performance Management
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PURPOSE

1. To revised the Internal Audit Charter
2. To present the Internal Strategy
3. To provide the Internal Audit Plan for 2017/18.

RECOMMENDATION

4. That the Committee approve and note the changes to the Charter and Strategy.
5. That the Committee approve and comment on the Internal Audit Plan for 2017/18.

REASONS FOR RECOMMENDATION

6. The Committee has oversight of Internal Audit in the Council.
7. To comply with the Committee's role of the 'Board' within the Public Section Internal Audit Standards and thus statutory requirements.

SUMMARY OF KEY POINTS

Internal Audit Charter

8. The Accounts and Audit Regulation 2015 require the Council to have an effective internal audit which follows 'proper practice' for its delivery. The Public Sector Internal Audit Standards (PSIAS)¹ and Local Government Application Note record this proper practice. This has been in place since 2013. In March 2017, this was revised and so changes are required to ensure that the Council follows proper practice.
9. The main requirement is an internal audit mission and its 10 core principals. These principals have been adopted by the team but also need to be included in the Internal Audit Charter. So, a new version of the Charter has been produced.

Internal Audit Strategy

10. Another requirement is a document which says how the Internal Audit Service will be delivered, will meet the requirements of the charter and links to the Councils strategic

¹ The Public Sector Internal Audit Standards March 2017 can be found at the following link <http://www.cipfa.org/~media/files/publications/standards/psaisreportmarch2017newv8.pdf>

objectives and priorities. The strategy document provided demonstrates how this will be achieved at a high level.

Internal Audit Plan for 2017 18

11. The plan starts from a risk assessment of all auditable activities and incorporates the Council's Risks, Strategic Objectives, fraud assessments as well as other elements such as transactions, employees, income, expenditure, time since last audit and impact of the audit.
12. From this long list, the highest risk areas are identified and incorporated into a plan of audits. This is reviewed to take in specific requests for audits and other points. The draft plan was sent to Management Team and their views are incorporated.
13. The plan has to be flexible and so there is some time in place for additional work identified during the year and incidents as they arise.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

14. None

POLICY IMPLICATIONS

15. Compliance with statutory requirement in the Accounts and Audit Regulations 2015.

DETAILS OF CONSULTATION

16. Management Team

BACKGROUND PAPERS

17. None

FURTHER INFORMATION

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