

<b>DECISION-MAKER:</b>	GOVERNANCE COMMITTEE
<b>SUBJECT:</b>	INTERNAL AUDIT: INTERNAL AUDIT PLAN 2013 - 2014
<b>DATE OF DECISION:</b>	30 APRIL 2013
<b>REPORT OF:</b>	CHIEF INTERNAL AUDITOR
<b>STATEMENT OF CONFIDENTIALITY</b>	
Not Applicable	

### **BRIEF SUMMARY**

The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business, activities, systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council's objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

### **RECOMMENDATIONS:**

- (i) The Governance Committee is invited to comment on and approve the Internal Audit Plan for 2013/14 as attached.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. In accordance with proper internal audit practices and the Internal Audit Strategy, the Governance Committee is required to approve, but not direct, the Internal Audit Plan.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. None.

### **DETAIL (Including consultation carried out)**

3. The strategic audit plan has historically projected audit activity over a 3 year period, however due to the rapidly changing local government environment, the relevance of predicting future years coverage at this stage would be of questionable value.
4. Internal Audit focus should be proportionate and appropriately aligned. Currently only medium and high priority reviews are incorporated within the Audit Plan.
5. All low priority review areas remain within the audit universe and reassessed on an annual basis however are not routinely incorporated in the planning process if continued to be assessed as a low priority.
6. Other reviews, based on criteria other than risk, may also be built into the work plan. These may include "mandatory" audits or reviews requested or commissioned by management. Any commissioned review must be able to

clearly demonstrate contribution to the audit opinion on risk management, control and governance.

7. The plan will remain fluid and subject to ongoing review and amendment, in consultation with the relevant Directors and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Chief Internal Auditor's continued contact and liaison with those responsible for the governance of the Council (i.e. Senior Management, Governance Committee).
8. A key role of internal audit is to objectively examine, evaluate and report on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
9. A clear objective of the risk based audit approach adopted is to identify any instances of over as well as under control and provide management with a clear articulation of residual risks where existing controls are inadequate.
10. In a climate where it is necessary to become less process driven and eliminate unproductive tasks, internal audit will not be seen (or perceived) as a barrier to innovation. Whilst it is imperative that Internal Audit continue to ensure an appropriate control environment exists and appropriately reported on, the service is ideally positioned and has been appropriately briefed to challenge current practice and where applicable highlight duplication and over control, contributing to efficiencies across the Council.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

11. None

### **Property/Other**

12. None

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

13. The Accounts and Audit (England) Regulations 2011 require the Council to 'undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'

### **Other Legal Implications:**

14. None

## **POLICY FRAMEWORK IMPLICATIONS**

15. None

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**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	
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**SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

**Appendices**

1.	Internal Audit: Internal Audit Plan 2013/14
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**Documents In Members' Rooms**

1.	None
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**Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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**Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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