

**2016/17 Audit Plan**

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**Executive Summary:**

The Audit Committee is invited to comment and approve the 2016/17 Audit Plan.

**1 Purpose:**

1.1 To provide the draft 2016-17 Internal Audit Plan for review and comment.

**2 Recommendations**

2.1 That the Audit Committee approve the Audit Plan for 2016/17 (Annex A & B)

2.2 That the Committee note the Strategy and Charter remain unchanged (Annex C & D)

**3 Context**

3.1 It is a requirement of the Public Sector Audit Standards (PSIAS) that the Audit Plan is consulted with and communicated to senior management and the Audit Committee for review and approval. Modern auditing best practice no longer encourages a 'fixed' annual audit plan. A risk based approach, reviewed regularly, to identify the key organisational issues including review and revision during the year, enables PSIAS requirement to provide an annual audit opinion to be fulfilled.

3.2 Internal Audit will be part of the LGSS shared service model from April. The 2016/17 audit plans have been developed outside the LGSS model and individual audit plans will still be developed, agreed and monitored for each customer ie MKC. The 2017/18 planning will examine the benefits of shared knowledge across all LGSS authorities.

**4 Issues**

4.1 The Plan has been developed and agreed with Heads of Service, Service / Assistant Directors and CLT. The Plan is set out at Annex A and B and structured into 2 formats:

(1) Annex A - Traditional Hierarchy ie People, Resources, Place and Corporate Core

(2) Annex B - Risk Matrix ie Audit's mapped to the agreed Strategic Risks

4.2 Multiple sources of information and consultation are considered when formulating the audit plan. These include the audit risk scores, review of the corporate risk

register, council priorities, consultation with senior managers and other stakeholders e.g. portfolio office, local and national knowledge etc.

4.3 The plan is agile with the PSIAs requiring the Chief Audit Executive to review and adjust the plan, as necessary, in response to changes in the organisation’s business, risks, operations, programs, systems, and controls. The CAE should (and does) review the plan quarterly.

4.4 Progress against and changes to the plan are monitored by the Audit Committee and reported to CLT within routine update reports.

4.5 Audit Charter and Strategy

4.5.1 The Charter is attached at Annex C and the Strategy at Annex D. These remain unchanged from 2015 except for references to the Head of Audit and MKSP that have been amended to reflect current structures.

4.5.2 Within different best practice the terms Head of Internal Audit and Chief Audit Executive officer are inter-changeable. For the avoidance of doubt the AD Audit & Risk is the designated officer who performs those roles.

**5 Implications**

5.1 Policy

The plan delivers the Internal Audit Strategy and Charter as agreed.

5.2 Resources and Risk

No direct financial / risk issues arise from the approval of the plan.

N	Capital	N	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

5.3 Carbon and Energy Management

None

5.4 Legal

None

5.5 Other Implications

None

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Background Papers: