

**REPORT TO THE GOVERNANCE & AUDIT COMMITTEE  
MEETING OF 10<sup>th</sup> March 2016**

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**Status:** For consideration / discussion  
**Title:** Internal Audit – Audit Plan 2016/17  
**Originator:** Rachel Ashley-Caunt – Head of Internal Audit  
**Where from:** SMT

Objective: To provide Members with a copy of the draft Internal Audit Plan for 2016/17 for review and approval.

1. Outcome sought from committee

- 1.1 Members approve the Internal Audit Plan for 2016/17.
- 1.2 Members give authority to the Head of Finance and Corporate Services and the Chair of the Governance and Audit Committee to agree amendments to the Plan during the financial year, if required.

Background

- 2.1 The purpose of the report is to gain Committee approval of the Internal Audit Plan for 2016/17 in line with the requirements of the Public Sector Internal Audit Standards.
- 2.2 The Welland Internal Audit Consortium provides the Internal Audit service for Harborough District Council and is commissioned to provide 235 audit days to deliver the Annual Audit Plan.

3. Report

- 3.1 The Public Sector Internal Audit Standards require the annual Audit Plan to be reviewed and approved by the Audit committee. The Audit Plan should be developed based upon key risks identified through consultation with senior management and the Governance and Audit Committee and the Council's risk framework.
- 3.2 Meetings have been held with the Council's senior managers to identify the key potential risk areas for audit coverage, emerging risks for the year ahead and any areas where consultancy support would be of value to improve the control and governance framework. Analysis of the coverage of Internal Audit reviews from the

last four years and a copy of an 'Internal Audit Universe' (a gross list of potential areas for Internal Audit review) were provided to assist in highlighting potential audit review areas for consideration.

- 3.3 A session was held with the Governance and Audit Committee in November 2015 to discuss the Audit Planning process and to provide an opportunity for Members to highlight areas where they require assurance in the year ahead.
- 3.4 The Head of Internal Audit reviewed all areas highlighted and identified any other sources of assurance in relation to these risks to ensure best use of the Internal Audit resources. The resulting list of potential risk areas was then presented to the Council's Corporate Management Team for further discussion and prioritisation.
- 3.5 The resulting draft Internal Audit Plan is provided in Appendix A.
- 3.6 Further details on the process followed to develop the plan and the use of resources is also provided within Appendix A.
- 3.7 The Public Sector Internal Audit Standards state that the Head of Internal Audit 'must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programs, systems, and controls'. In order to enable the service to be responsive and ensure best use of the commissioned resources throughout the year, it is recommended that the Committee give authority to the S151 Officer/Head of Finance and Corporate Services and the Chair of the Governance and Audit Committee to approve any in year amendments to the Plan. These changes would then be reported at the following Committee meeting.

#### 4 Equality Impact Assessment

- 4.1 Not applicable in this context.

#### 5 Recommendations

- 5.1 Members review and approve the Internal Audit Plan for 2016/17.
  - 5.2 Members give authority to the Head of Finance and Corporate Services and the Chair of the Governance and Audit Committee to agree amendments to the Plan during the financial year, if required.
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