

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Chief Internal Auditor
Date of Meeting:	2 March 2017

INTERNAL AUDIT PLAN 2017/2018

1.0 Purpose of the report:

1.1 To consider approval from the Audit Committee for the Internal Audit Plan 2017/18.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to:

1. Approve the Internal Audit Plan for 2017/18 including the plan for counter-fraud and corruption work.
2. Approve the Anti-Fraud and Corruption Statement which is included as appendices to the plan.

3.0 Reasons for recommendation(s):

3.1 The Public Sector Internal Audit Standards require that the Internal Audit Plan is approved by senior management and the Audit Committee.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:
N/a

4.0 Council Priority:

4.1 The relevant Council Priorities are

- "The economy: Maximising growth and opportunity across Blackpool"
- "Communities: Creating stronger communities and increasing resilience"

5.0 Background Information

- 5.1 Each risk based review will include core areas of internal control such as business planning, performance monitoring and security of assets. Segregation of duties in key processes will remain an important focus given the current economic climate and issues identified from past work.
- 5.2 Compliance testing accounts for approximately fifty percent of the allocated audit resource. As set out in the 2014/17 audit strategy, the overall approach remains, to complement risk based audit work with a robust set of compliance testing.
- 5.3 Changes to the programme of risk based work will only be made following discussion with the Council's Section 151 officer. Any changes will be made known to the Audit Committee through the quarterly report of the Chief Internal Auditor.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 6(a): Internal Audit Plan 2017/18

6.0 Legal considerations:

- 6.1 Each audit review will consider the legal implications faced by the service and will factor these into the evaluation of the service.

7.0 Human Resources considerations:

- 7.1 A meeting will be arranged with the relevant Director and Head of Service to scope each audit review and agree timings so that staff have adequate notice that an audit is going to be undertaken.

8.0 Equalities considerations:

- 8.1 The plan is based on a risk assessment of all Council services.

9.0 Financial considerations:

- 9.1 It is proposed that a significant part of the 2017/18 Internal Audit Plan will focus on financial risk given the budget pressures faced by the Council.

10.0 Risk management considerations:

- 10.1 An audit universe is in place which lists all Council services and an exercise is undertaken to risk assess each service using a weighted criteria including materiality, system stability, devolved control, internal control and sensitivity. This is undertaken

by the Internal Audit Team using their combined knowledge and experience. The Chief Internal Auditor then meets with each Departmental Management Team to present internal audit's priorities and establish what they consider to be risks faced by their service areas.

- 10.2 All of the above information is collated into one document and a further risk assessment is undertaken by the Chief Internal Auditor to identify which of the risks can be resourced in the internal audit plan. Factors which inform this include whether a follow-up of priority one recommendations is already planned, time since last review, whether assurance can be obtained from a different source and whether internal audit can gain assurance through an alternative method, for example attendance at Board meetings.

11.0 Ethical considerations:

- 11.1 Each internal audit undertaken will be completed in compliance with the Code of Ethics as outlined in the Public Sector Internal Audit Standards.

12.0 Internal/ External Consultation undertaken:

- 12.1 Planned audit work has been discussed with the Chief Executive, Senior Management and the Section 151 Officer.

13.0 Background papers:

- 13.1 None.