

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**AUDIT COMMITTEE**

**4<sup>th</sup> April 2017**

**REPORT AUTHOR: Internal Audit - South West Audit Partnership (SWAP)**

**SUBJECT: Interim Internal Audit Plan 2017/18**

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**REPORT FOR: Decision**

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**1.0 Introduction**

1.1 One of the functions of the Audit Committee is to be satisfied there is effective internal audit coverage of the Council's systems, mechanisms, policies and practices to be able to gain assurance that the Council has a robust internal control framework.

Endorsement of this plan is a requirement of the public sector internal audit standards (PSIAS).

**2.0 Objectives of Internal Audit**

2.1 Internal Audit's objective is to carry out independent appraisals of the Council's control mechanisms to identify areas for improvement by Management.

2.2 The achievement of this objective involves:

- Reviewing and appraising the soundness and adequacy of Internal Control
- Promoting value for money
- Ascertaining levels of compliance with established plans, policies and procedures
- Protecting the Council's assets and safeguarding from losses
- Determining the reliability of management information produced by the Council
- Conducting special investigations where appropriate
- Advising and supporting management

### 3.0 Internal Audit Plan

- 3.1 The Internal Audit function will be delivered by the South West Audit Partnership (SWAP) from the 1<sup>st</sup> April 2017. To ensure that the transition from the in-house team is as seamless as possible, it has been agreed that a Quarter 1 Plan for 2017-18 be proposed as an interim measure to allow time for effective client liaison and risk analysis. The full annual plan will be presented by SWAP at the next full meeting of the Committee.
- 3.2 Internal audit coverage for the year has been set at 1000 days by the Strategic Director for Resources (Section 151 Officer). Therefore, the plan report in appendix A and the work plan in Appendix B outline the proposed audit activity for the first 250 days.
- 3.3 The plan sets out the work required for internal audit to give an opinion on the adequacy and effectiveness of the council's risk management, governance and internal control arrangements. However, there is the risk that the annual internal audit plan does not take into account the key issues and risks facing the council and does not provide adequate coverage of the council's key systems for the head of internal audit to form an opinion on the council's control environment. The process by which the plan has been compiled mitigates this risk.
- 3.4 The audit plan is an indication of the audit work to be undertaken in the quarter. However, there is some flexibility in the planning process to allow the Section to react to changing situations, new demands and requests from Services. Any changes will be agreed with the Section 151 Officer prior to commencement of any work.

### 4.0 Decision

- 4.1 Whilst Internal Audit should retain independence in the planning process, it is important that Audit Committee should be satisfied that there is adequate audit coverage for the 2017/18 financial year.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
The Internal Audit Planning report (appendix A) and the Interim Internal Audit Plan (appendix B) be endorsed by the Audit Committee.	To ensure adequate internal audit coverage to enable the Head of Audit to give an evidence based opinion on the internal control environment.  To comply with the Public Sector Internal Audit Standards (PSIAS).

<b>Person(s) To Implement Decision:</b>	Assistant Director - SWAP
<b>Date By When Decision To Be Implemented:</b>	With immediate effect

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