

# ***INTERNAL AUDIT PLANNING STRATEGY***

DRAFT

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## **1.0 INTRODUCTION**

1.1 Internal Audit is an assurance function that primarily provides an independent and objective opinion on the control environment. This is done by effectively contributing to the statutory requirement in the Accounts and Audit Regulation 2014 (Wales) for the Council to maintain sound systems of internal control.

1.2.1 The purpose of the Internal Audit Planning Strategy is to :

- provide independent and objective assurance to Members and Senior management on the effectiveness of Powys County Council's control environment
- identify and address risks that may impact on the Council's corporate objectives
- develop and promote our role to make a significant contribution to the Council's priority to modernise and deliver efficient and improve services to our customers.
- add value and support senior management in maintaining effective control
- support the Strategic Director of Resources in fulfilling the obligations as the Council's nominated Section 151 Officer.
- To meet the requirement of the external auditors.

## **2.0 SCOPE**

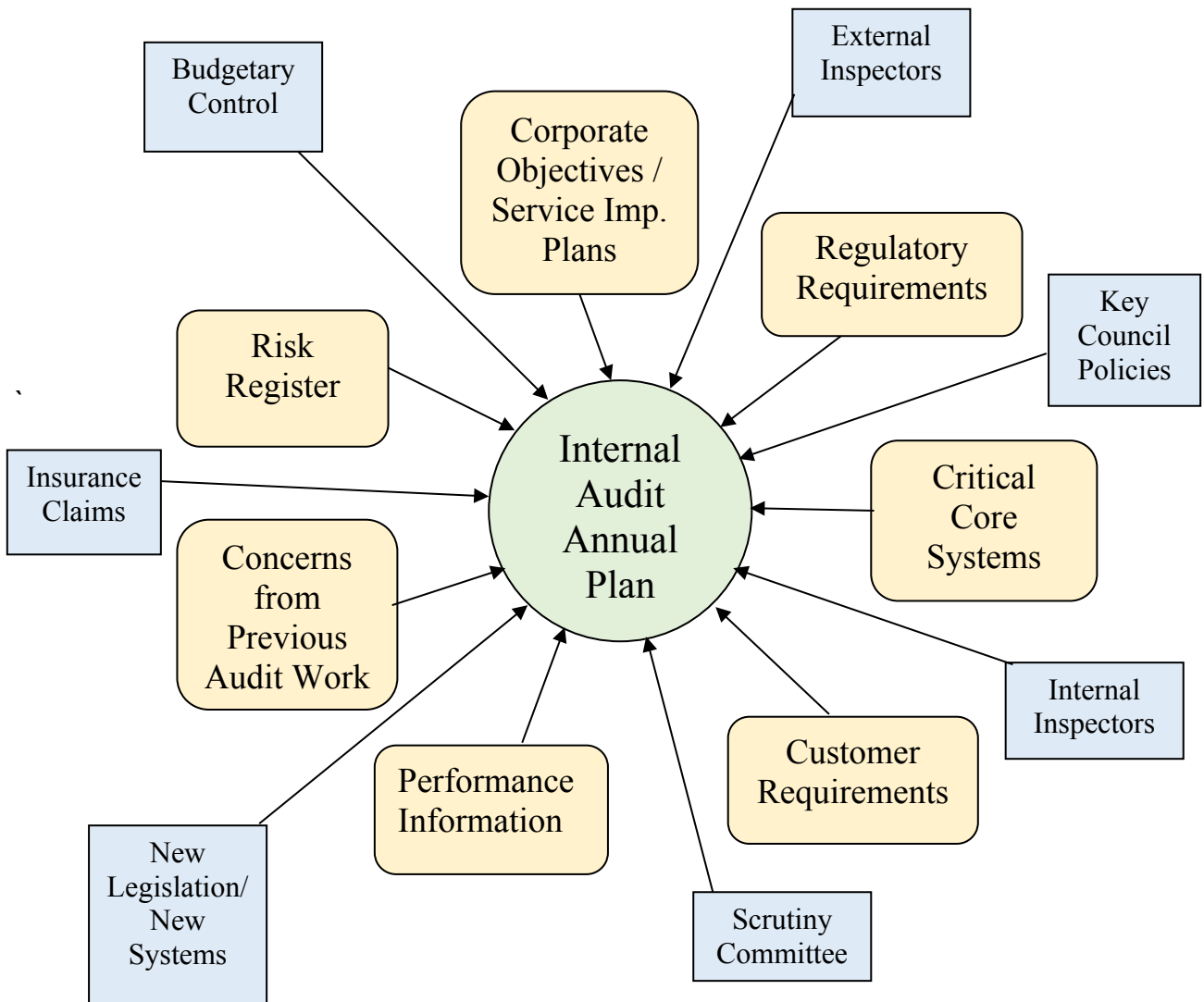
2.1 The intention of the Internal Audit Planning strategy is to embed integration of internal audit work with governance and risk to produce a co-ordinated risk based approach to the audit of business / operational systems and process across the council.

2.2 This strategy informs audit work at the following levels:

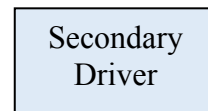
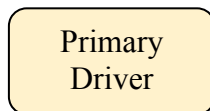
- Annual Planning
- Assignment Planning
- Performance Management

### 3.0 PLANNING INFORMATION SOURCES

3.1 The following diagram is a visual representation of the key drivers that are considered to help inform the decisions when developing the internal audit annual plan.



**KEY**





Schools	Secondary Schools Special Schools Primary Schools	On-site On-site On-site	Every 4 years Every 4 Years Every 5 Years
Registrar	Need to be reviewed	On-site	Every 5 Year
Income Collection Offices	Main Supplementary Random Cash up	On-site On-site Spot Check	Every 2 years Every 3 Years Sample annually
Social Care Centres	To be agreed annually with individual service	On-site	

- 4.4 To ensure the Council has a robust control environment, it is essential that Internal Audit not only identify control weakness and help to develop remedial actions, but also that they gain assurance that these have actually been implemented. Clearly, Management are solely responsible for the implementation of these actions.
- 4.5 All significant audit reports that have an adverse opinion (i.e. Low or Limited Assurance) are reported to the Audit Committee Sub Group where Members track the delivery of actions by requiring those responsible to update the group on the status of the agreed action plan.
- 4.6 Internal Audit will also undertake a series of follow-up reviews at some points once they have been signed off by the Audit Committee Sub Group. The Internal Audit Manager will use his expertise to determine the need for, the timing of and process used to best suit the circumstances. Resources for these reviews should be included in the internal audit plan.

## 5.0 LIMITATIONS

- 5.1 A risk-based approach to internal audit planning relies on the Council having both mature risk management (risk identification, risk mitigation, risk acceptance and risk action planning) and effective identification of the corporate business objectives and how those are delivered at operational levels. Whilst the risk management process has improved considerably.

## 6.0 ACKNOWLEDGEMENTS

- 6.1 The Internal Audit Manager wishes to thank all of those officers that have contributed to the development of the Internal Audit Planning Strategy 2016/17.