

<b>TITLE</b>	<b>2016/17 Revised Internal Audit Plan</b>
<b>FOR CONSIDERATION BY</b>	The Audit Committee on 5 December 2016
<b>WARD</b>	None Specific
<b>LEAD OFFICER</b>	Catherine Hickman, Service Manager Shared Audit and Investigation Service

## **OUTCOME / BENEFITS TO THE COMMUNITY**

The Council's Internal Audit Plan details the Internal Audit activity and seeks to:

- provide all key stakeholders with independent assurance that the risks within the Council's fundamental systems and processes are being effectively and efficiently managed;
- allow the Council to demonstrate it is complying with the relevant legislation and applicable professional standards;
- demonstrate the Council's commitment to good governance and a zero tolerance approach towards fraud and corruption; and
- sets out that the team's resources are being properly utilised.

## **RECOMMENDATION**

The Audit Committee is asked to approve the amendments to the 2016/17 Internal Audit Plan (Appendix A) in the light of 21 Century Council developments and discussions at CLT on 13 September 2016.

## **SUMMARY OF REPORT**

1. At CLT on 13 September 2016, it was agreed that the content of the 2016/17 Internal Audit Plan would be reviewed in light of work being undertaken in respect of the Council's 21<sup>st</sup> Century initiative and the impact it will have on the originally agreed 2016/17 Internal Audit Plan. In addition, audit resource has been seconded to the programme which will impact on the delivery of the 2016/17 Internal Audit Plan. In order to make the most from limited internal audit resources we align our work with the key risks facing the Council. To ensure that the Plan responds to the dynamic risk environment (particularly in respect of 21<sup>st</sup> Century Council) we have gained approval from CLT to revise the 2016/17 Internal Audit Plan.
2. These amendments have now been incorporated into the revised Plan attached at Appendix A which shows those audits to be undertaken to the end of the financial year and those postponed with days reconciling back to the originally agreed audit days.
3. There are some elements of the existing audit plan that are essential and need to be completed; namely the key financial systems and the governance building blocks\*.
4. The area where capacity is most likely to be available is around key operational risks and IT where directorate risks have changed since the Internal Audit Plan was constructed in February 2016.
5. Discussions have taken place with the Director, 21<sup>st</sup> Century Programme and Head of

Governance and Improvement Services to determine areas of audit/consultancy activity. Areas discussed are; reviewing overall governance arrangements, risk management, programme planning (consultancy work) and financial profiling. Given the scale and level of risk involved in the programme, Audit Committee will be looking for assurance in these areas.

6. The IT audits as listed in the original Internal Audit Plan have been impacted by 21<sup>st</sup> Century Council. These have been delayed at the request of the Head of Service/Chief Executive.
7. Attached at Appendix A is the proposed revised Internal Audit Plan. Those audits highlighted in green are either underway or completed. The final section lists those audits that have been included in the contingency audit days in the original plan approved by Audit Committee on 10<sup>th</sup> February 2016 and are underway or completed. They are detailed here for completeness.
8. For the audits agreed, we will need managements' support to ensure the work can be undertaken in a timely way.

\*There has been a request by the Head of Service to differ procurement due to the delayed roll out of the changes to the Procurement Regulations since 1<sup>st</sup> April 2016.

#### **FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

***The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	Yes	N/A
Next Financial Year (Year 2)	N/A	Yes	N/A
Following Financial Year (Year 3)	N/A	Yes	N/A
<b>Other financial information relevant to the Recommendation/Decision</b>			
Not applicable			

#### **List of Background Papers**

Appendix A

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