

TEIGNBRIDGE DISTRICT COUNCIL

AUDIT SCRUTINY COMMITTEE

CHAIRMAN: Cllr Chris Clarence

DATE: 22 March 2018

REPORT OF: Audit Manager

SUBJECT: INTERNAL AUDIT PLAN 2018-2019

PART I

RECOMMENDATION

To approve the Internal Audit Plan and Charter.

1. PURPOSE

1.1 This report presents the proposed work of internal audit work for 2018-19, and the internal audit terms of reference (Charter) for members' approval.

2. BACKGROUND

2.1 The Council is required under the Accounts and Audit Regulations (2015), to maintain an adequate and effective internal audit service which evaluates the effectiveness of the Council's risk management, control and governance processes.

2.2 Audit work must be carried out in conformance with the Public Sector Internal Audit Standards which require the preparation of a risk-based plan to determine the priorities of the internal audit activity. The plan should outline the assignments to be carried out and the resources required.

2.3 The minimal level of audit is not prescribed but it must be considered sufficient to give an annual evidence based assurance opinion at the end of the year.

3. AUDIT PLAN 2018-2019

3.1 This year's proposed plan is attached at **Appendix A**.

3.2 The following factors were taken into account in planning this year's audit work:

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- the Teignbridge Ten projects and strategic priorities;
- the contents of Risk Registers;
- value or volume of transactions and complexity of systems or functions;
- vulnerability or past susceptibility to fraud or error;
- time since last audited and results of any other reviews;
- knowledge gained through our audits and involvement in corporate work e.g. BEST2020 Business Improvement Group;
- changes to systems either planned or known to have occurred;
- local, national and legislative issues;
- views of the senior management and statutory officers

3.3 A list of all auditable activities showing those within and outside scope this year is attached **Appendix B**. It is normal for some areas to be audited very rarely, or not at all, as resources are concentrated on the higher risk activities. The Plan must be viewed as a working document, subject to in-year changes as necessary given the challenges Local Authorities are currently exposed to.

3.4 **Resources** - the Plan will be delivered by the in house team of 2.5 full time equivalent posts (Audit Manager and 1.5 Auditors) supplemented by a small budget for external resource. This provides a total of approximately 555 net days, although a proportion of these are spent on corporate work and projects. Where assurance has been provided by other bodies, we will make use of this where appropriate to do so.

4. AUDIT CHARTER

- 4.1 Internal Audit's purpose, authority and responsibility must be formally defined to give it the status to carry out its work independently and objectively.
- 4.2 This is covered by a **Charter** attached at **Appendix C** which members are asked to review and approve.

5. RECOMMENDATION

- 5.1 Members are recommended to **approve** the **Audit Plan** and **Charter**.

Sue Heath - Audit Manager

Wards affected	<i>N/A</i>
Contact for any more information	<i>Sue Heath – Audit Manager – 01626 215258</i>
Background Papers (For Part I reports only)	<i>Public Sector Internal Audit Standards Council Strategy and Risk Registers</i>
Key Decision	<i>N</i>
In Audit Scrutiny Work Programme	<i>Y</i>