

**REPORT FOR: GOVERNANCE, AUDIT,
RISK MANAGEMENT &
STANDARDS COMMITTEE**

Date of Meeting: 19th July 2016

Subject: 2016/17 Final Internal Audit Plan

Responsible Officer: Tom Whiting – Corporate Director of Resources & Commercial

Exempt: No

Enclosures: Appendix 1: 2016/17 Final Internal Audit Plan

Section 1 – Summary and Recommendations

This report sets out the 2016/17 Final Internal Audit Plan.

FOR INFORMATION

Section 2 – Report

Background

- 2.1 Internal audit is a statutory service. The Accounts and Audit Regulations 2015, state that:
- ‘A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’
- 2.2 The Public Sector Internal Audit Standards (PSIAS) have been adopted and are being implemented by the Council’s Internal Audit section. A self-assessment against the standards is about to be undertaken and an action plan will be developed and implemented to improve compliance, as necessary, in preparation for an external peer review to be undertaken later in the year.
- 2.3 It is a requirement of the PSIAS that the ‘chief audit executive’ (Head of Internal Audit) ‘must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals.’

Annual Plan Process

- 2.4 In compliance with the PSIAS requirement annually a risk based internal audit plan of work is developed by the Head of Internal Audit to determine the priorities of the internal audit service for the coming year to support the Council’s vision and priorities.
- 2.5 The 2016/17 plan has been developed taking into account the Council’s risk management framework, including the risk maturity of the organisation and the developing risk appetite statement. Senior management, via Directorate DMTs, and meetings with the Chief Executive and the Director of Finance (S151 Officer) have been consulted and their input used to help assess risks not specifically linked to the Corporate or Directorate risk registers and a documented risk assessment has been undertaken for such reviews included in the plan.
- 2.6 The development of the plan has also taken into account the requirement for the Head of Internal Audit to produce an annual internal audit opinion on the Council’s framework of governance, risk management and control, reported each year in the Internal Audit Year-end report.
- 2.7 The GARMS Committee approved the 2016/17 Draft Internal Audit Plan at its last meeting on 05/04/16. The 2016/17 Final Internal Audit Plan is attached as Appendix 1 for information, showing the estimated

audit days allocated to each review area and the quarter in which the review is planned .

Links to the Corporate Vision and Priorities

- 2.8 The Corporate Plan 2016-19, entitled 'Harrow Ambition Plan 2020' sets out the Council's vision of 'Working together to make a difference for the vulnerable, communities, families and businesses'
- 2.9 The Council's strategy (priorities) to deliver its vision, between now and 2020 is to:
- Build a Better Harrow
 - Be More Business-like and Business Friendly
 - Protect the Most Vulnerable and Support Families
- 2.10 The Council's vision and the corporate priorities are taken into account when developing the internal audit plan and where appropriate specific audit reviews have been included in the plan to support individual priorities.

Financial Implications

The Internal Audit service is delivered within the budget available.

Risk Management Implications

The work of Internal Audit supports the management of key risks across the council.

There are two main risks to the achievement of the Internal Audit plan:

- The risk of inadequate resources to achieve the plans caused by unplanned reduction in staff resource e.g. sickness, maternity leave or staff leaving; and
- The risk of higher than anticipated level of reactive work e.g. investigations and emerging risks.

These risks are mitigated by good management practices e.g. monitoring/managing of sickness absence, by keeping the teams motivated and the risk assessment of work on investigations and emerging risks.

Equalities implications

None

Corporate Priorities

Internal audit contributes to all the corporate priorities by enhancing the robustness of the control environment and governance mechanisms that directly or indirectly support the priorities.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert



Chief Financial Officer

Date: 06/07/16

Section 4 - Contact Details and Background Papers

Contact: Susan Dixon, Head of Internal Audit
Tel:0208 424 1420

Background Papers: None.

If appropriate, does the report include the following considerations?

1.	Consultation	YES / NO
2.	Corporate Priorities	YES / NO