

# AUDIT & RISK COMMITTEE

22nd January 2013

## INTERNAL AUDIT PLAN 2013-14

Report of the Head of Welland Internal Audit Consortium

STRATEGIC AIM	All
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### 1. PURPOSE OF THE REPORT

1.1 To advise Members of a change in the planned schedule for approving the 2013-14 Audit Plan and the reason for that change.

### 2. RECOMMENDATIONS

2.1 That Members note the report.

### 3. CHANGES TO THE AUDIT PLANNING PROCESS

3.1 Members were advised in a separate report that Public Sector Internal Audit Standards come into effect from 1<sup>st</sup> April 2013. Full conformity with the Standards will involve a change in the approach taken to the development of Strategic (i.e. Annual) Audit Plans. The Head of Consortium considers it practical to adopt a planning approach that conforms to the requirements of the Standard but this will require bringing the 2013-14 Audit Plan to the April meeting of the Committee for approval.

3.2 The Standards require that the Annual Audit Plan must reflect the Council's **current** risk appetite, corporate objectives and priorities for the year. The planning approach used in previous years – based on the Stamford Model – relies on incremental modifications to prior years' risk assessments and does not – transparently – identify linkages to current corporate objectives and priorities.

**3.3** The planning approach that the Head of Consortium proposes to use in future years would involve: one to one meetings with Heads of Service and other senior managers to identify management's view of the coming year's risks about which assurance is required; working with Leadership Team to arrive at a corporate view of the range of assurance required, the sources of assurance to be relied upon and the priority given to each of the audit assignments identified through the process; and providing the Committee with the opportunity to comment on the developing proposals. That process would normally take place in the period November – January each year.

**3.4** What is proposed, as an interim measure for the 2013-14 Plan, is the use of one to one meetings to inform a presentation to Leadership Team: the object of that presentation would be to gain sufficient guidance about the relative importance of the risks identified to produce a draft Audit Plan for consideration by the Committee. That consultative process is already in hand and it is anticipated that a draft Plan will be available by mid to late February. Subject to the agreement of the Committee, it is intended that the draft Plan be circulated as soon as it is completed to allow Members time to consider and make comments on the draft.

#### **4. CONCLUSIONS**

**4.1** The proposals set out in the report will delay the Committee's consideration of the Annual Plan for 2013-14 but will mitigate the risk of criticism, by the Council's new External Auditors, that the Plan does not conform with the new Standards.

#### **5. RISK MANAGEMENT**

<b>RISK</b>	<b>IMPACT</b>	<b>COMMENTS</b>
<b>Time</b>	<b>Low</b>	The report does not prompt or require any time-bound response
<b>Viability</b>	<b>Low</b>	There are no resourcing issues arising
<b>Finance</b>	<b>Low</b>	There are no financial issues arising
<b>Profile</b>	<b>Low</b>	The report contains proposals that should improve the effectiveness of the Committee
<b>Equality and Diversity</b>	<b>Low</b>	EIA screening indicates no issues arising therefore full Impact Assessment has not been carried out.

**Background Papers**  
None

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