

Agenda Item 6

Strategic Management Team Lead Officer	Nick Gray, Deputy Chief Executive
Author	Phil Mitchell, Financial Services Manager
Telephone	01306 879149
Email	Phil.Mitchell@molevalley.gov.uk
Date	9 th March 2017

Subject	Internal Audit Plan 2017/2018
<u>RECOMMENDATIONS</u>	
1.1	That the Committee notes the proposed work plan, the amendments proposed by Senior Management Team and the Committee's own amendments as appropriate.

<u>SUMMARY</u>	
2.1	To seek Members' views and alternative areas for consideration on the proposed Internal Audit Plan

BACKGROUND

- 3.1 Internal Audit is a statutory requirement in local government as defined in the Local Government Act 1972. The Accounts and Audit Regulations 2011 (Regulation 6) state that 'A relevant body must maintain an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.'
- 3.2 The Council has delegated this responsibility to the Deputy Chief Executive / Section 151 Officer and appointed RSM UK as its Internal Auditors through a joint contract with neighbouring Local Authorities.
- 3.3 To enable the Council and the S151 Officer to effectively discharge their responsibilities in relation to the Internal Audit service, the Audit performance is monitored and the Audit Committee assists in the promotion of effective internal control and corporate governance within the Council.
- 3.4 The previous Internal Audit Strategy was approved by the Audit Committee in March 2016. This new Plan sets out the proposed Audit Work Plan for 2017/18 and the broad areas of assurance over the next three years.
- 3.5 The proposed areas of review have been considered by the Council's Senior Management Team. They have proposed that two of the listed reviews be

delayed until later in the year to give the new working arrangements in each case more time to settle in. These are the Management of Joint Ventures which, it is proposed, be moved back to March 2018 to give the partnerships a year to bed in and the HR Management review where a July 2017 date is suggested to allow the start-up of the new payroll arrangements from April with Midland HR, which will inevitably distract MVHR in the early part of the year.

CORPORATE IMPLICATIONS

- 4.1 **Legal Implications** – None contained within the report.
- 4.2 **Financial Implications** - There are no direct financial implications arising from this report. The programme of reviews proposed can be delivered within the current Internal Audit budget.
- 4.3 **Risk Implications** – Delivery of the Internal Audit Strategy is based upon an analysis of:
 - Risk based coverage such as Risk Management, Corporate Governance Reviews and Information Technology (IT) Systems in the Council.
 - Addressing specific key risk areas in the Plan
 - Follow-up review and management of the Audit Plan
- 4.4 **Equalities Implications** – None contained within the report.
- 4.5 **Employment Issues** – None contained within the report.
- 4.6 **Sustainability Issues** – None contained within the report.
- 4.7 **Consultation** – None contained within the report.

BACKGROUND PAPERS

- None