

Agenda Item 5

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Subject	Internal Audit Strategy 2018/2021, incorporating Internal Audit Work Plan 2018/19
Recommendation	That the Committee approves the proposed Internal Audit Strategy and Internal Audit Work Plan 2018/19.
Executive Summary	This report sets out the proposed Internal Audit Strategy and Plan and seeks Members' views and alternative areas for consideration.
Corporate Priorities	Development of the Internal Audit Strategy and Annual Plan is based on an analysis of MVDC corporate objectives, risk profile and assurance framework as well as other, factors affecting Mole Valley District Council.
The Committee has the authority to determine the Recommendations	

1. BACKGROUND

- 1.1 Internal Audit is a statutory requirement in local government as defined in the Local Government Act 1972. The Accounts and Audit Regulations 2015 (Regulation 5) 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."
- 1.2 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.
- 1.3 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.

- 1.4 The previous Internal Audit Strategy was approved by the Audit Committee in March 2017. This new Plan sets out the proposed Internal Audit Work Plan for 2018/19 and the broad areas of assurance over the next three years.
- 1.5 The proposed areas of review have been considered by the Council's Senior Management Team.

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. Whilst having no direct financial implications, the Internal Audit Strategy provides a key management tool for ensuring value for money.

Legal implications

Under the Accounts and Audit Regulations 2015 the Council is required to ensure that it has a sound system of internal control which; (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the authority is effective; and (c) includes effective arrangements for the management of risk.

2. CORPORATE IMPLICATIONS

2.1 Monitoring Officer commentary

The relevant legal implications have been considered in the report.

2.2 S151 Officer commentary

The s151 Officer confirms that all relevant financial risks and implications have been considered in this report

2.3 Risk Implications – Delivery of the Internal Audit Plan is based upon an analysis of:

- Risk based coverage such as Risk Management and Corporate Governance Reviews.
- Addressing specific key risk areas in the Plan
- Follow-up review and management of the Audit Plan

2.4 Equalities Implications – None contained within the report.

2.5 Employment Issues – None contained within the report.

2.6 Sustainability Issues – None contained within the report.

2.7 Consultation – None contained within the report.