

**STROUD DISTRICT COUNCIL**  
**AUDIT AND STANDARDS COMMITTEE**

**AGENDA  
ITEM NO**

**7 MAY 2019**

**6**

<b>Report Title</b>	<b>RISK BASED INTERNAL AUDIT PLAN 2019/2020</b>
<b>Purpose of Report</b>	To present to Members, for their consideration and approval the Annual Risk Based Internal Audit Plan 2019/20.
<b>Decisions(s)</b>	The Committee <b>RESOLVES</b> to approve the Annual Risk Based Internal Audit Plan 2019/20 as detailed in Appendix A.
<b>Consultation and Feedback</b>	The Corporate Team, Heads of Service and Service Managers have been consulted on the proposed Plan for 2019/20. The timing of audit work will be planned in conjunction with the appropriate managers to minimise abortive work and time.
<b>Financial Implications and Risk Assessment</b>	<p>There are no financial implications from the report.</p> <p>The planned audit activities are included within the budget approved by Council in January 2019.</p> <p>As with all audit plans, the Chief Internal Auditor will continue to reassess internal audit resources required against the council's priorities and risks and will amend the Plan throughout the year as required, with any additional activity required above the core provision agreed with the S151 Officer, reporting any key changes to the Audit and Standards Committee.</p> <p>Andrew Cummings, Head of Finance and S151 Officer Tel: 01453 754115 Email: <a href="mailto:andrew.cummings@stroud.gov.uk">andrew.cummings@stroud.gov.uk</a></p> <p>Risk Assessment:</p> <p>The organisation is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit, through the delivery of the Risk Based Annual Audit Plan, plays a vital part in independently and objectively advising the organisation that these arrangements are in place and operating effectively.</p>

<b>Legal Implications</b>	There are no legal implications arising from this report.  Patrick Arran, Interim Head of Legal Services and Monitoring Officer Tel: 01453 754369 Email: <a href="mailto:patrick.arran@stroud.gov.uk">patrick.arran@stroud.gov.uk</a>
<b>Report Author</b>	Theresa Mortimer, Head of Audit Risk Assurance (Chief Internal Auditor) Tel: 01453 754319 Email: <a href="mailto:theresa.mortimer@stroud.gov.uk">theresa.mortimer@stroud.gov.uk</a>
<b>Options</b>	The Public Sector Internal Audit Standards (PSIAS) 2017 require the Chief Internal Auditor to produce an Annual Risk Based Internal Audit Plan to determine the priorities of the internal audit activity. The lack of such a Plan would lead to non-compliance with these Standards.
<b>Performance Management Follow Up</b>	In accordance with the PSIAS and reflected within the Audit and Standards Committee work programme, Internal Audit reports on progress against the approved Internal Audit Plan 2019/20. These are scheduled to be presented to the Audit and Standards Committee at the October 2019, January 2020 and April 2020 meetings.
<b>Background Papers/ Appendices</b>	<b>Appendix A</b> - Annual Risk Based Internal Audit Plan 2019/20

## Background

1. The work of Internal Audit is carried out in accordance with, and is assessed against, the Public Sector Internal Audit Standards (PSIAS) 2017. These Standards require the Chief Internal Auditor to produce an Annual Risk Based Internal Audit Plan to determine the priorities of the internal audit activity. The proposed activity should be consistent with the organisation's priorities and objectives and taking into account the organisation's risk management framework, including risk appetite levels set by management and internal audit's own judgement of risks.
2. To ensure that an effective Plan was developed, a consultation process took place with the Audit and Standards Committee, Corporate Team, Heads of Service and Service Managers to establish priorities. The proposed activity from all sources was collated and matched against the internal audit resources available and prioritised accordingly.
3. The Audit Plan is stated in terms of estimated days input to the Council of **463** audit days, which is comparable to 2018/19. By continuing to apply risk based internal audit planning principles; this level of input, with the ability to commission internal audit resources from current audit framework agreements as required, is considered acceptable to provide the assurance the Council needs. The Chief Internal Auditor will however, continue to reassess internal

audit resources required against the council's priorities and risks and will amend the Plan throughout the year as required, with any additional activity required above the core provision agreed with the S151 Officer, reporting any key changes to the Audit and Standards Committee.

4. The PSIAS also require the Annual Risk Based Internal Audit Plan to be reviewed and approved by the appropriate body which in the case of Stroud District Council is the Audit and Standards Committee.