

Cherwell District Council

Accounts Audit and Risk Committee

22 March 2017

Internal Audit – Progress Report 2016/17, Internal Audit Plan 2017/18 and Internal Audit Charter

Report of the Chief Finance Officer

This report is public

Purpose of report

To receive PwC's progress report summarising their internal audit work to date. To approve the Strategic Internal Audit Plan 2017/18 to 2019/20, the Operational Internal Audit Plan for 2017/18 and the Internal Audit Charter.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Note the contents of the 2016/17 progress report from PwC.
- 1.2 Approve the Strategic Internal Audit Plan for 2017/18 to 2019/20.
- 1.3 Approve the 2017/18 Operational Internal Audit Plan.
- 1.4 Approve the Internal Audit Charter.

2.0 Introduction

- 2.1 PwC provide the Council's Internal Audit Service for 2016/17 and undertake their work in line with their Audit Plan originally agreed in March 2016.
- 2.2 Following a review of the Council's procurement options for securing an Internal Audit Service for 2017/18 to 2019/20 a decision to collaborate with Kettering Borough Council and the Borough Council of Wellingborough was reached which has resulted in the direct award of the contract to CW Audit under the North of England Commercial Procurement Collaborative Framework (NoECPC). It is anticipated that this arrangement will result in an increase in the internal audit resource available to the Council together with a reduction in cost.

3.0 Report Details

- 3.1 The Internal Audit Service progress report for 2016/17 is presented at Appendix 1.
- 3.2 CW Audit have drafted the Internal Audit Strategic Plan for 2017/18 to 2019/20, the Operational Internal Audit Plan for 2017/18 and the Internal Audit Charter (all at Appendix 2). The Internal Audit Strategic and Operational Plans will be discussed and agreed with JMT.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The progress report summarises the progress of internal audit's work for 2016/17.
- 4.2 The strategic Internal Audit Plan and the Operational Internal Audit plan are designed to ensure that the Council receives an independent and objective opinion on arrangements for risk management, internal control and governance.
- 4.3 The Internal Audit Charter is designed to ensure that the Council's Internal Audit Service complies with the Public Sector Internal Audit Standards.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.
Option 1: No alternative options have been identified as the Council is required to have an internal audit service and an audit plan designed to provide an independent opinion on risk management, internal control and governance, however, members may wish to request further information from the Chief Internal Auditor.

7.0 Implications

Financial and Resource Implications

- 7.1 The cost of the Internal Audit Service is within the approved budget and there are no further financial implications arising directly from any outcome of this report.

Comments checked by:

Sanjay Sharma, Corporate Finance Manager, 01295 221564
sanjay.sharma@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by:

Kevin Lane, Head of Law & Governance, 0300 0030107

Kevin.Lane@cherwellandsouthnorthants.gov.uk

Risk Management Implications

7.3 There are no risk management issues arising directly from this report.

Comments checked by:

Louise Tustian, Senior Performance and Improvement Officer, 01295 221786

louise.tustian2@cherwellandsouthnorthants.gov.uk

Equality and Diversity

7.4 There are no equality and diversity issues arising directly from this report.

Comments checked by:

Caroline French, Corporate Policy Officer, 01295 221586

caroline.french@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

None

Document Information

Appendix No	Title
Appendix 1	PwC Progress Report 2016/17 (to follow).
Appendix 2	Draft Strategic Internal Audit Plan 2017/18, Draft Operational Internal Audit Plan 2017/18, Draft Internal audit Charter.
Background Papers	
None	
Report Author	Paul Sutton, Chief Finance Officer
Contact Information	Paul.Sutton@Cherwellandsouthnorthants.gov.uk 0300 003 0106