

DOVER DISTRICT COUNCIL

REPORT OF THE HEAD OF AUDIT PARTNERSHIP

GOVERNANCE COMMITTEE – 20 MARCH 2014

## **INTERNAL AUDIT PLAN 2014-15**

### **Recommendations**

<i>Members are asked to consider and adopt the Internal Audit 2014-15 plan of work</i>
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Contact Officer: Mrs C Parker, extension 2160

#### **1.0 Introduction and Background**

- 1.1 The purpose of the Council's Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- 1.2 To assist the Committee meet its terms of reference with regard to the internal control environment reports are regularly produced on the work and remit of Internal Audit. The purpose of this report is to consider for adoption the East Kent Audit Partnership Audit Plan of work for the forthcoming year.

#### **2.0 Audit plan 2014-15**

- 2.1 The Audit Plan for the year 2014 to 2015 is attached as Annex A and has been produced from an audit software database (APACE) maintained by the EKAP which records our risk assessments on each service area based upon previous audit experience, criticality, financial risk, risk of fraud and corruption etc.
- 2.2 The plan has then been modified to reflect emerging risks and opportunities identified by the Chief Executive, Directors, and the Council's corporate plans.
- 2.3 Additionally, the plan is based upon a formal risk assessment that seeks to ensure that all areas of the Council's operations are reviewed within a three-year cycle of audits. In order to provide Members with assurance that internal audit resources are sufficient to give effective coverage across all areas of the Authority's operations, a three-year strategic plan has been included.
- 2.4 To comply with the Public Sector Internal Audit Standards, the agreed audit plan should cover a fixed period of no more than 1 year. Members are being asked to approve the 2014-15 plan at the present time and the 2015-16 plan (modified as necessary) will be presented for consideration in March 2015 and similarly the 2016-17 plan will be presented for consideration in March 2016. The purpose of showing an indicative 2015-16 and 2016-17 plan at this time is to provide Members with assurance that internal audit resources are sufficient to provide effective coverage across all areas of the Authority's operations within a rolling cycle.

2.5 The plan has been prepared in consultation with the Directors and the Council's Statutory S151 Officer. The plan is also designed to meet the requirements expected by the External Auditor for ensuring key controls are in place for its fundamental systems. This Committee is also part of the consultation process, and its views on the plan of work for 2014-15 are sought to ensure that the Council has an effective internal audit of its activities and Members receive the level of assurance they require.

### **3.0 Head of Internal Audit's Opinion of the 2014-15 Internal Audit Plan.**

3.1 This report is presented to Members by the Council's Director of Finance whose s.151 responsibility it is to maintain an effective internal audit plan. In the interests of openness and transparency and in order to enable Members to make an informed decision on the internal audit plan presented for their approval consideration should also be given to the opinion of the Head of Internal Audit on the effectiveness of the plan.

3.2 In the professional opinion of the Head of the East Kent Audit Partnership the draft 2014-15 internal plan presented for Members' consideration represents an effective internal audit plan which ensures reasonable coverage of the vast majority of the Council's operations within a three year period. The Head of the East Kent Audit Partnership recommends to Members the approval of the 2014-15 internal audit plan.

### **4.0 Recommendations**

4.1 That Members approve the Council's Internal Audit Plan for 2014/15

### **5.0 Background Papers**

- Internal Audit Annual Plan 2013/14 - Previously presented to and approved at the March 2013 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.

### **6.0 Resource Implications**

There are no additional financial implications arising directly from this report. The costs of the audit work have been met from the Financial Services 2014/15 budget.

### **7.0 Consultation Statement**

Not Applicable.

### **8.0 Impact on Corporate Objectives and Corporate Risks**

The recommendations arising from each individual internal audit review are designed to strengthen the Council's corporate governance arrangements, controls framework and risk management arrangements, as well as contributing to the provision of economic, efficient and effective services to the resident of the District.

**Attachments**

Annex A      Dover District Council draft 2014-15 Internal Audit Plan & draft  
3 year strategic Internal Audit Plan 2014-17

CHRISTINE PARKER  
Head of Audit Partnership

The officer to whom reference should be made concerning inspection of the background papers is the Head of Audit Partnership, White Cliffs Business Park, Dover, Kent CT16 3PJ. Telephone: (01304) 821199, Extension 2160.

