

**North York Moors National Park Authority
Finance, Risk, Audit and Standards Committee**

5 September 2016

Internal Audit Annual Report 2015/16 and Audit Plan 2016/17

1. Purpose of the Report

- 1.1 To inform Members of the Internal Audit work undertaken and the audit opinion in 2015/16.
- 1.2 To seek approval from Members of the draft Internal Audit Plan for 2016/17.

2. Purpose and Background

2.1 The purpose of the report is to:

- Provide a statement of assurance regarding the adequacy and effectiveness of the internal control system from Veritau Ltd (Internal Audit Services) The Statement of Assurance will support the Annual Governance Statement (AGS) which forms part of the Authority's Financial Statements.
- Provide an Audit Plan for the assurance work which will be undertaken by Veritau Ltd in 2016/17.

3. Annual Audit Report 2015/16

- 3.1 The Annual report (**Appendix 1**) includes a summary of the findings of the audit including Management responses where appropriate. These findings are used to formulate the overall opinion.
- 3.2 Veritau carried out its work in accordance with the Cipfa Code of Practice for Internal Audit in Local Government.
- 3.3 There is no direct linkage to any of the Authority's Priorities as internal audit is a support service, which provides internal control and activity assurance to Directors on the operation of their services, and specifically to the Authority's S151 Officer on financial systems.
- 3.4 Officers are working on the management actions agreed in each report (see **Appendix 1**).
- 3.5 The overall opinion of the Head of Internal Audit on the controls operated at the NYMNP is that they provide **Substantial Assurance**. There are no qualifications to that opinion. No reliance was placed on the work of other assurance bodies in reaching this opinion.

4. Audit Plan 2016/17

- 4.1 The Audit Plan is a working document which evolves and may change over the course of the year as it is aligned to the issues raised in the Authority's Strategic Risk Register which is also a document which is regularly reviewed. The preparation of the Internal Audit Plan on the basis of identified risks is recognised as best practice and enables members of FRASC and the management team to satisfy themselves that internal audit activity is focused on the main risks to the Authority.

- 4.2 The content of the audit plan has been subject to consultation with the Chief Executive, Chief Financial Officer and Directors and is submitted for formal approval by the committee who are also responsible for monitoring progress against the plan. Changes to the plan are agreed through the Authority's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the Authority's external auditors to ensure there is no duplication of effort.
- 4.3 The draft Annual Internal Audit Plan for 2016/17 is attached as **Appendix 2** to this report.
- 4.4 It is anticipated that the audit work will commence in Autumn 2016 and a summary report will be presented to this Committee once the work has been completed.
- 4.5 Veritau will also liaise with the External Auditors, KPMG, in order to assist in the conclusions given in the 'audit opinion'.

5. **Financial and Staffing Implications**

- 5.1 None.

6. **Sustainability and Legal Implications**

- 6.1 There are no sustainability or legal implications arising from this report.

7. **Recommendation**

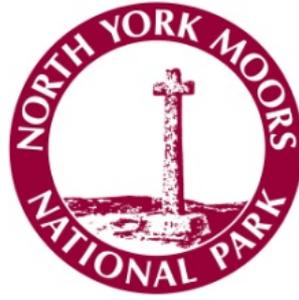
- 7.1 That Members note the content of this report and approve the plan at **Appendix 2**.

Contact Officer:
Irene Brannon
Director of Corporate Services
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Background documents to this report

None

File Ref



North York Moors National Park Authority

Internal Audit Annual Report

2015-16

Audit Manager: Ian Morton
Head of Internal Audit: Max Thomas

Circulation List: Members of the Finance, Risk, Audit and Standards
Committee
Management Team (including the S151 Officer)

Date: 5 September 2016

Background

- 1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with the PSIAS, the Chief Audit Executive (Head of Internal Audit) must provide an annual internal audit opinion and report that can be used by the organisation to inform its annual governance statement. The opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 2 During the year to 31 March 2016, the Authority's internal audit service was provided by Veritau Limited.

Internal Audit Work Carried Out 2015/16

- 3 During 2015/16, internal audit work was carried out across the full range of activities of the Authority. The main areas of internal audit activity included:

Financial Systems – providing assurance on key areas of financial risk. This helps support the work of the external auditors and provides assurance to the Authority that risks of loss are minimised.

Information Systems – providing assurance on information management and data quality.

Operational Systems - providing assurance on operational systems and processes which support service delivery.

Governance / Risk Management - providing assurance on governance arrangements and systems to manage risks to the achievement of corporate objectives.

- 4 No special investigations were carried out during the year
- 5 **Appendix A** summarises internal audit work planned and completed during the year and the opinion given for each report issued. **Appendix B** provides details of the key findings arising from our internal audit work and **Appendix C** provides an explanation of our assurance levels and priorities for management action.

Professional Standards

- 6 Veritau maintains a quality assurance and improvement programme (QAIP) to ensure that internal audit work is conducted to the required professional standards. As well as undertaking an annual survey of senior management in each client organisation and completing a detailed self assessment to evaluate performance against the Standards, the service is also subject to periodic external assessment. The last assessment was conducted by the South West Audit Partnership (SWAP) and completed in April 2014. The results of the assessment provide evidence to support the QAIP as well as helping to inform the Improvement Action Plan.

- 7 The outcome of the QAIP demonstrates that the service conforms to the Public Sector Internal Audit Standards. Further details of the QAIP and Improvement Action Plan prepared by Veritau are given in appendix D.

Audit Opinion and Assurance Statement

- 8 In connection with reporting, the relevant professional standard (PSIAS 2450) states that the Chief Audit Executive (CAE)¹ must provide an annual report to the board² timed to support the annual governance statement. The report should include:
- (a) an opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (ie the control environment)
 - (b) a summary of the audit work from which the opinion is derived (including details of the reliance placed on the work of other assurance bodies)
 - (c) a statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme (including progress against any actions resulting from external assessment)
 - (d) disclosure of any qualifications to the opinion, together with the reasons for the qualifications
 - (e) details of any impairments or restriction in the scope of work)
 - (f) a comparison of the work actually undertaken with the work that was planned and a summary of the performance of internal audit against its performance targets
 - (g) details of any issues which the Head of Internal Audit judges to be of particular relevance to the preparation of the Annual Governance Statement.
- 9 The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Authority is that it provides **Substantial Assurance**. There are no qualifications to this opinion and no reliance was placed on the work of other assurance bodies in reaching that opinion. There are also no significant control weaknesses which, in the opinion of the Head of Internal Audit need to be considered for inclusion in the Annual Governance Statement.

¹ The PSIAS refers to the Chief Audit Executive. For the NYMNPA this is the Head of Internal Audit for Veritau.

² The PSIAS refers to the board. For the NYMNPA this is the Finance, Risk, Audit and Standards Committee

2015/16 audit assignments completed

Audit	Status	Assurance Level
Financial Systems		
Key Financial Systems	Completed	Substantial Assurance
Information Systems		
IT Disaster Recovery	Completed	No Assurance level Provided
Operational Systems		
Procurement	Completed	High Assurance
Grant Application Process	Completed	High Assurance
Grant Funding	Completed	High Assurance
Governance/Risk Management		
Risk Management	Completed	High Assurance
Other Work		
Client Support and Advice	Completed	Not Applicable

Summary of Key Issues from audits completed

System/Area	Opinion	Area Reviewed	Date Issued	Comments	Management Actions Agreed & Follow-Up
Key Financial Systems	Substantial Assurance	The audit consisted of a high level review of the main accounting, creditors, debtors and payroll systems.	04/08/2016	<p>Strengths The processes for new starters and leavers and the controls in place within the systems were found to be effective, and monthly payroll reports are authorised appropriately. The budget monitoring process was found to be effective with monthly reports produced that contain sufficient detail to enable managers to monitor financial performance. There were no issues identified with either the Invoice payments or purchase card payments systems</p> <p>Weaknesses Finance procedure notes were out of date in some areas, which caused issues for new staff members. Virement records were difficult to match to budget</p>	<p>The Finance team have undertaken training, procedure notes reviews will undertaken on an ongoing basis.</p> <p>New procedures have</p>

System/Area	Opinion	Area Reviewed	Date Issued	Comments	Management Actions Agreed & Follow-Up
				changes	been put in place to record the nature and detail of virements within the system.
ICT Disaster Recovery	No assurance level provided	Following the audit in 2014/15 time was provided within the plan to provide support and advice on the development of a new ICT Disaster Recovery Plan and a review of consistency with the overall Business Recovery Plan	N/A	A new draft ICT Disaster Recovery plan was provided to audit for review. This is a major update on the previous plan and addressed previous weaknesses. A small number of suggested changes to the draft were made as a result of the review.	
Procurement	High Assurance	The audit focused on the processes around selecting and evaluating suppliers and compliance with financial regulations. It did not include any review of arrangements for managing contracts after they have been awarded	05/04/2016	Strengths No issues were identified with compliance with financial regulations during procurement. Officers were able to provide assurance that best value was considered in the procurement process and that all relevant factors were considered including environmental and accessibility issues. Appropriate documentation to evidence the procurement process is	

System/Area	Opinion	Area Reviewed	Date Issued	Comments	Management Actions Agreed & Follow-Up
				<p>retained.</p> <p>Weaknesses The financial regulations contain some information about procurement and also refer to the purchasing policy for further detail in some areas. However, the purchasing policy has not been updated since 2000 and may not therefore reflect current expected practice.</p> <p>An error was identified in one tender evaluation exercise. This would have affected the relative ranking of tenders, although had no impact on the winning tender. The error was caused by an incorrect version of a standard evaluation spreadsheet being used.</p>	<p>The standing orders, scheme of delegation, financial regulations and procurement procedure will be reviewed to ensure they are up to date and consistent. Officers will be reminded to use the master spreadsheet from the intranet for each procurement exercise, to ensure that the formulae are not corrupted</p>
Grant Application Process	High Assurance	The audit reviewed the processes in place where NYMNPA applies for grant funding. This	04/08/2016	<p>Strengths The External funding officer has developed a Project Enquiry Form (PEF). The</p>	

System/Area	Opinion	Area Reviewed	Date Issued	Comments	Management Actions Agreed & Follow-Up
		<p>covered the processes for identifying suitable grants and also how the successful applications are managed to ensure delivery and compliance with grant conditions. The audit also reviewed processes to learn from unsuccessful applications</p>		<p>form collates all of the information required to support consideration of whether to pursue a funding stream into a standardised format. The form has made decision making clearer and is an excellent addition to the process.</p> <p>Unsuccessful applications for funding are reviewed, to identify lessons to be learnt for the future.</p> <p>Projects are reviewed on an ongoing basis to ensure compliance with grant conditions. A colour coded "pipeline document" provides a pictorial format showing at a glance what stage the project is at over a period of years.</p> <p>Weaknesses No significant control weaknesses identified.</p>	
Grant Funding	High Assurance	The audit reviewed the processes in place for	04/08/2016	<p>Strengths The Authority has a clear</p>	

System/Area	Opinion	Area Reviewed	Date Issued	Comments	Management Actions Agreed & Follow-Up
		<p>the awarding of grants by the National Park. This included reviewing the application process to ensure criteria were clear and applied appropriately, and monitoring of outcomes to ensure the objectives of grant funding are achieved.</p>		<p>application process for grants; forms and information are available to the public on the authorities Website.</p> <p>All grant funded activity is monitored to ensure compliance with grant terms and ensure agreed outcomes are met. The level of monitoring depends on the nature of the grant awarded and the requirements and conditions set at the time the grant was awarded</p> <p>Weaknesses No significant control weaknesses identified.</p>	
Risk Management	High Assurance	The audit consisted of a high level review of compliance with the requirements of the risk management strategy	04/04/2016	<p>Strengths The audit confirmed that the key elements of the Risk Management Strategy are complied with and the processes involved are reviewed on a regular basis. Work is currently ongoing to develop and</p>	

System/Area	Opinion	Area Reviewed	Date Issued	Comments	Management Actions Agreed & Follow-Up
				embed operational risk registers. Weaknesses No significant control weaknesses identified.	

Audit Opinions and Priorities for Actions

Audit Opinions	
<p>Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.</p> <p>Our overall audit opinion is based on 5 grades of opinion, as set out below.</p>	
Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions	
Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

VERITAU

INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

1.0 Background

Ongoing quality assurance arrangements

Veritau maintains appropriate ongoing quality assurance arrangements designed to ensure that internal audit work is undertaken in accordance with relevant professional standards (specifically the Public Sector Internal Audit Standards). These arrangements include:

- the maintenance of a detailed audit procedures manual
- detailed job descriptions and competency profiles for each internal audit post
- regular performance appraisals
- regular 1:2:1 meetings to monitor progress with audit engagements
- training plans and associated training activities
- the maintenance of training records and training evaluation procedures
- agreement of the objectives, scope and expected timescales for each audit engagement with the client before detailed work commences (audit specification)
- the results of all audit testing work documented using the company's automated working paper system (Galileo)
- file review by an audit manager and sign-off of each stage of the audit process
- post audit questionnaires (customer satisfaction surveys) issued following each audit engagement
- performance against agreed quality targets reported to each client on a regular basis.

On an ongoing basis, a sample of completed audit files is also subject to internal peer review by a senior audit manager to confirm quality standards are being maintained. The results of this peer review are documented and any key learning points shared with the internal auditors (and the relevant audit manager) concerned.

The Head of Internal Audit will also be informed of any general areas requiring improvement. Appropriate mitigating action will be taken (for example, increased supervision of individual internal auditors or further training).

Annual self-assessment

On an annual basis, the Head of Internal Audit will seek feedback from each client on the quality of the overall internal audit service. The Head of Internal Audit will also update the PSIAS self assessment checklist and obtain evidence to demonstrate

conformance with the standards. As part of the annual appraisal process, each internal auditor is also required to assess their current skills and knowledge against the competency profile relevant for their role. Where necessary, further training or support will be provided to address any development needs.

The Head of Internal Audit is also a member of various professional networks and obtains information on operating arrangements and relevant best practice from other similar audit providers for comparison purposes.

The results of the annual client survey, PSIAS self-assessment and professional networking are used to identify any areas requiring further development and/or improvement. Any specific changes or improvements are included in the annual Improvement Action Plan. Specific actions may also be included in the Veritau business plan and/or individual personal development action plans. The outcomes from this exercise, including details of the Improvement Action Plan are also reported to each client. The results will also be used to evaluate overall conformance with the PSIAS, the results of which are reported to senior management and the board³ as part of the annual report of the Head of Internal Audit.

External assessment

At least once every five years, arrangements must be made to subject internal audit working practices to external assessment to ensure the continued application of professional standards. The assessment should be conducted by an independent and suitably qualified person or organisation and the results reported to the Head of Internal Audit. The outcome of the external assessment also forms part of the overall reporting process to each client (as set out above). Any specific areas identified as requiring further development and/or improvement will be included in the annual Improvement Action Plan for that year.

2.0 Customer Satisfaction Survey – 2016

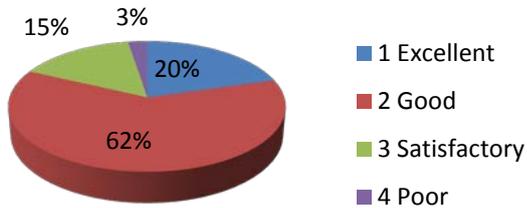
Feedback on the overall quality of the internal audit service provided to each client was obtained in May 2016. Where relevant, the survey also asked questions about the counter fraud and information governance services provided by Veritau. A total of 124 surveys (2015 – 103) were issued to senior managers in client organisations. 41 surveys were returned representing a response rate of 33% (2015 - 32%). The surveys were sent using Survey Monkey so the responses were anonymous. Respondents were asked to rate the different elements of the audit process, as follows:

- Excellent (1)
- Good (2)
- Satisfactory (3)
- Poor (4)

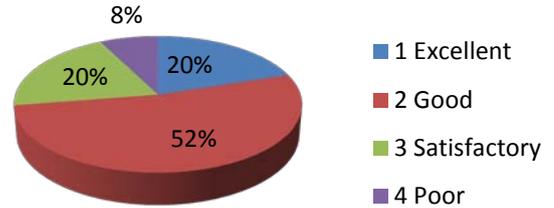
Respondents were also asked to provide an overall rating for the service. The results of the survey are set out in the charts below:

³ As defined by the relevant audit charter.

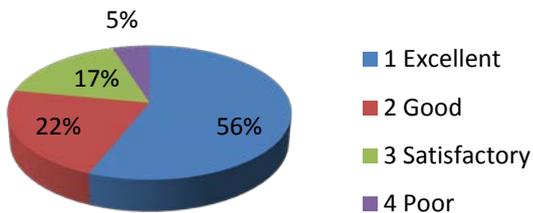
1 The quality of planning and the overall coverage of the audit plan



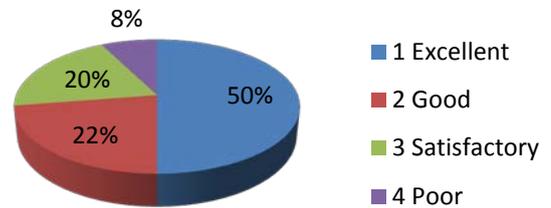
2 The provision of advice and guidance



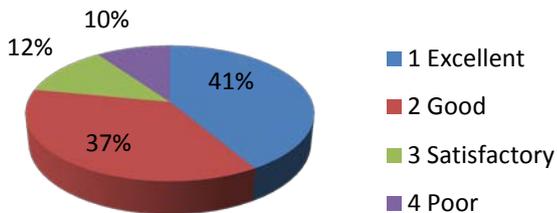
3 The conduct and professionalism of audit staff



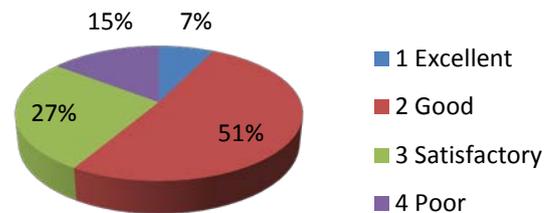
4 The ability of audit staff to provide unbiased and objective opinions



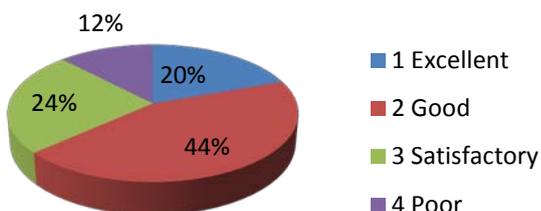
5 The ability of audit staff to establish a positive rapport with customers



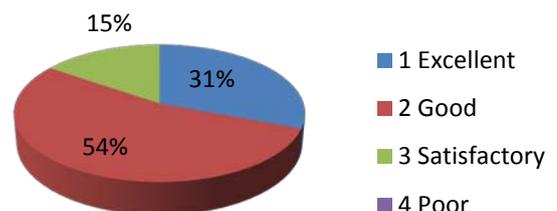
6 The auditors' overall knowledge of the system / service being audited



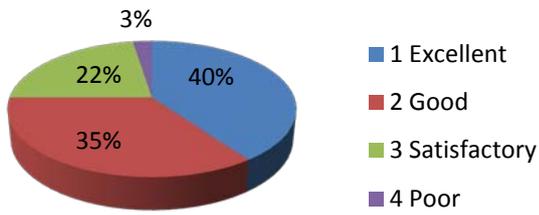
7 The auditors' ability to focus on the areas of greatest risk



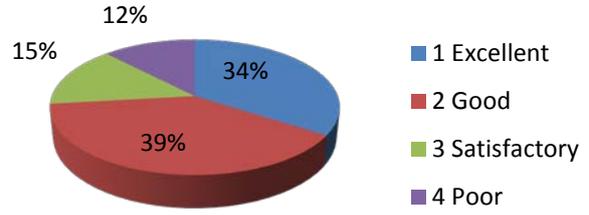
8 Agreeing the scope and objectives of the audit



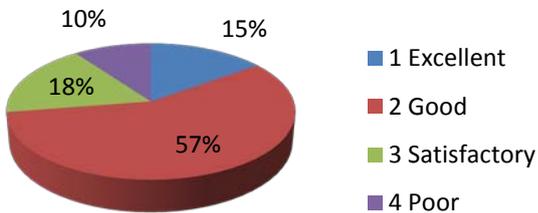
9 The auditors' ability to minimise disruption to the service being audited



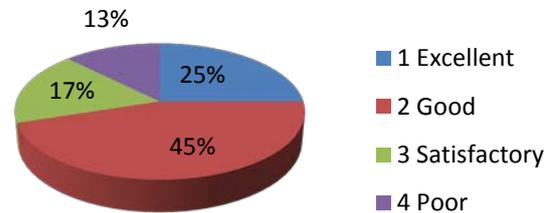
10 The communication of issues found by the auditors during their work



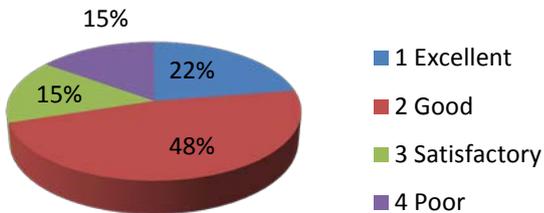
11 The quality of feedback at the end of the audit



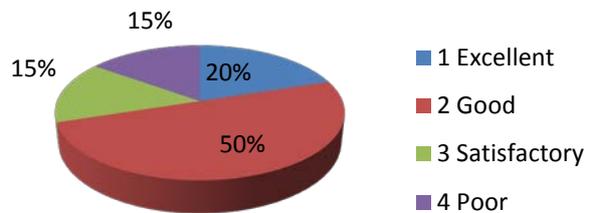
12 The accuracy, format, length and style of audit reports



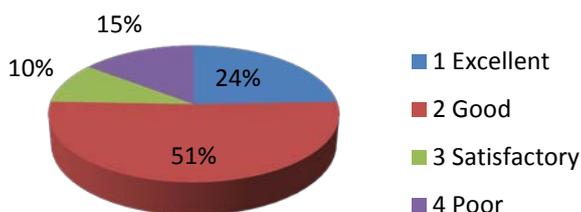
13 The relevance of audit opinions and conclusions



14 The extent to which agreed actions are constructive and practical



Overall rating for the Internal Audit services provided by Veritau



The overall ratings in 2015 were:

Excellent – 8 (27%)

Good – 19 (63%)

Satisfactory – 3 (10%)

Poor – 0 (0%)

The feedback shows that the majority of clients continue to value the service being delivered. A small number of respondents ranked the service as poor but did not provide any further comments or suggestions for improvement.

3.0 Self Assessment Checklist – 2016

The checklist prepared by CIPFA to enable conformance with the PSIAS and the Local Government Application Note to be assessed was originally completed in March 2014. Documentary evidence was provided where current working practices were considered to fully or partially conform to the standards.

In most areas the current working practices were considered to be at standard. However, a few areas of non-conformance were identified. None of the issues identified were however considered to be significant. In addition, in some cases, the existing arrangements were considered appropriate for the circumstances and hence required no further action.

The checklist has been reviewed and updated in 2016. The following areas of non-conformance remain unchanged:

<u>Conformance with Standard</u>	<u>Current Position</u>
Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the Head of Internal Audit?	The Head of Internal Audit's performance appraisal is the responsibility of the board of directors. The results of the annual customer satisfaction survey exercise are however used to inform the appraisal.
Is feedback sought from the chair of the audit committee for the Head of Internal Audit's performance appraisal?	See above
Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the audit committee before the engagement was accepted?	Consultancy services are usually commissioned by the relevant client officer (generally the s151 officer). The scope (and charging arrangements) for any specific engagement will be agreed by the Head of Internal Audit and the relevant client officer. Engagements will not be accepted if there is any actual or perceived conflict of interest, or which might otherwise be detrimental to the

<u>Conformance with Standard</u>	<u>Current Position</u>
	reputation of Veritau.
Does the risk-based plan set out the - (b) respective priorities of those pieces of audit work?	Audit plans detail the work to be carried out and the estimated time requirement. The relative priority of each assignment will be considered before any subsequent changes are made to plans. Any significant changes to the plan will need to be discussed and agreed with the respective client officers (and reported to the audit committee).
Are consulting engagements that have been accepted included in the risk-based plan?	Consulting engagements are commissioned and agreed separately.
Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?	Whilst reliance may be placed on other sources of assurances there is no formal process to identify and assess such sources. However, assurance mapping will be used where appropriate and audit plans will highlight where other sources of assurance are being relied upon.

4.0 External Assessment

As noted above, the PSIAS require the Head of Internal Audit to arrange for an external assessment to be conducted at least once every five years to ensure the continued application of professional standards. The assessment is intended to provide an independent and objective opinion on the quality of internal audit practices.

Whilst the new Standards were only adopted in April 2013, the decision was taken to request an assessment at the earliest opportunity in order to provide assurance to our clients. The assessment was conducted by Gerry Cox and Ian Baker from the South West Audit Partnership (SWAP) in April 2014. Both Gerry and Ian are experienced internal audit professionals. The Partnership is a similar local authority controlled company providing internal audit services to over 12 local authorities (including county, unitary and district councils across Somerset, Wiltshire and Dorset).

The assessment consisted of a review of documentary evidence, including the self-assessment, and face to face interviews with a number of senior client officers and Veritau auditors. The assessors also interviewed an audit committee chair.

The conclusion from the external assessment was that working practices conform to the required professional standards. Copies of the detailed assessment report were

provided to client organisations and, where appropriate, reported to the relevant audit committee.

5.0 Improvement Action Plan

Last year's quality assurance process identified the following required changes and improvements:

Change / improvement	Progress to date
The standard specification template will be updated to ensure that the expectations on Veritau and the relevant client organisation in terms of access to records and the distribution of reports (including the extent of any duty of care provided to third parties) are fully understood. Where appropriate, information sharing agreements will also be established with client organisations.	Completed. A new specification template has been adopted. Veritau has also signed the multi agency information sharing protocol. As well as its member councils, other signatories include North Yorkshire Police, North Yorkshire Fire and Rescue Authority plus various NHS organisations and housing associations.
Checklists will be provided to assist auditors ensure all stages of the audit process are fully completed on Galileo.	Completed.
Templates for 'non-standard' reports (for example – consultancy, fraud and special assignments) will be developed.	Completed.

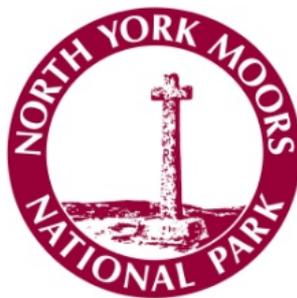
The internal peer review has highlighted the need for further training to be provided on sampling and testing. This will be completed by 30 September 2016. No other changes or improvements to working practices have been identified as a result of this year's quality assurance process. To further enhance the overall effectiveness of the service, the Veritau business plan also includes a number of areas for further development, including:

- Preparation of a data analytics strategy
- Further development of in-house technical IT audit expertise
- Increased use of data matching to identify savings / data quality issues
- Development of a fraud awareness e-learning course.

6.0 Overall Conformance with PSIAS (Opinion of the Head of Internal Audit)

Based on the results of the quality assurance process I consider that the service generally conforms to the Public Sector Internal Audit Standards, including the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*.

The guidance suggests a scale of three ratings, 'generally conforms', 'partially conforms' and 'does not conform'. 'Generally conforms' is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards. 'Partially conforms' means deficiencies in practice are noted that are judged to deviate from the Standards, but these deficiencies did not preclude the internal audit service from performing its responsibilities in an acceptable manner. 'Does not conform' means the deficiencies in practice are judged to be so significant as to seriously impair or preclude the internal audit service from performing adequately in all or in significant areas of its responsibilities.



North York Moors National Park Authority

Internal Audit Plan 2016/17

Audit Manager: Ian Morton
Head of Internal Audit: Max Thomas

Circulation List: Members of the Finance, Risk, Audit and Standards
Committee
Management Team (including the S151 Officer)

Date: 5 September 2016

Introduction

- 1 This document sets out the planned 2016/17 programme of work for internal audit, provided by Veritau for the North York Moors National Park Authority.
- 2 The work of internal audit is governed by the Public Sector Internal Audit Standards. In accordance with those standards, the Head of Internal Audit is required to provide an annual internal audit opinion to the Authority based on an objective assessment of the framework of governance, risk management and control. Our planned audit work includes coverage of all three areas.
- 3 The internal audit plan has been prepared on the basis of a risk assessment. This is intended to ensure limited audit resources are prioritised towards those systems which are considered to be the most risky and/or which contribute the most to the achievement of the Authority's priorities and objectives. The content of the internal audit plan has been subject to consultation with directors and other senior officers.
- 4 The internal audit plan is submitted for formal approval by the Finance, Risk, Audit and Standards Committee who are responsible for monitoring progress against the plan and overseeing the work of internal audit. Changes to the plan will be agreed with the Director of Corporate Services and will be notified to the Committee. Proposed work is also discussed with the Authority's external auditors to ensure there is no duplication of effort. We will provide regular updates on the scope and findings of our work to the Finance, Risk, Audit and Standards Committee throughout 2016/17
- 5 The plan for 2016/17 is based on a total number of 23 days.

2016/17 Audit Plan

- 6 The plan includes work in the following areas:
 - **Strategic risks:** this work involves reviewing areas highlighted as specific risks in the Authority's corporate risk register.
 - **Financial systems:** to provide assurance on the key areas of financial risk. This work will help provide assurance that the controls for the key financial systems are adequate and effective. The work will also support the work of the external auditors.
 - **Regularity / Operational audits:** this work will cover a number of the Authority's operational systems and areas.
 - **Technical / Projects:** to provide assurance on specific processes or key projects.

- **Client support, advice and follow up:** this is an allocation of time to support the delivery of the plan and provide assurance on ad-hoc matters.

7 Details of the 2016/17 plan are set out in Appendix A

Proposed Plan for 2016/17

Topic	Notes	Days
Key Financial Systems	A high level review of the key financial systems including implementation of previous recommendations, plus some areas not covered recently	5
Planning	A review of planning processes to ensure the risks of planning decisions are managed appropriately, and that evidence is available to support planning decisions	4
Health and Safety	A follow up of the previous audit to provide assurance that the changes to processes have result in improved compliance and management of health and safety risks	3
Freedom of Information	A review of processes to manage compliance with the Freedom of Information Act and other data management legislation and guidance	3
ICT	A review of IT systems security and access controls	3
PCI DSS	A review of compliance with the Payment Card Industry Data Security Standard (PCI DSS)	1
Risk Management	PSIAS requirement	1
Client Support and Advice	Liaison with external audit, attendance at Finance, Risk, Audit and Standards Committee, follow up etc	3
Total		23