

Internal Audit Strategy and 2018-19 Annual Plan.

The role of Internal Audit in providing assurance.

The Council is required by the Accounts and Audit Regulations to undertake an effective internal audit of its risk management, control and governance processes taking into account public sector auditing standards or guidance. For 2018/19 those standards are defined in the Public Sector Internal Audit Standards (PSIAS).

Internal Audit help the Council to accomplish its objectives by evaluating and improving the effectiveness of its risk management, control and governance processes and provide independent, objective assurance to management and the Council on their effectiveness.

The Role of Audit and Governance Committee in relation to the Annual Governance Statement

This Committee's terms of reference require it to review the production of the Authority's Annual Governance Statement, approve it and commend its signing to the Leader of the Council and Chief Executive.

In order to be able to do so this Committee needs to obtain sufficient assurance that the Council's internal control environment is operating effectively. It gains that assurance from a variety of sources including the work of internal audit.

Internal Audit Strategy

This document sets out internal audit's strategy for delivering the annual opinion in accordance with statutory requirements. It provides the means by which internal audit link the work in the 2018-2019 Internal Audit Plan to the Council's priorities and focus it on key risks to their achievement.

The frequency and scope of audits is determined by known risks, adequacy of controls and the level of knowledge of the operation of each system.

Through the maintenance of a rolling programme, the Strategy ensures that all Council services are subject to audit over time.

The long term programme is also used to assess the resources available to Internal Audit against those required to provide adequate assurance in accordance with the PSIAS.

In order to ensure that the work plan is relevant, adequate and reliable, Internal Audit maintains oversight of the management of risks which the Council's governance, operations, and information systems are exposed to which could reasonably be expected to influence:

- Achievement of the Council's strategic objectives.
- Reliability and integrity of financial and operational information.
- Effectiveness and efficiency of operations and programmes.
- Safeguarding of assets.
- Compliance with laws, regulations, policies, procedures, and contracts.

Identifying significant emerging issues relies on horizon scanning through monitoring of corporate risk registers and service action plans, membership of various WLBC working groups, while national issues are identified through professional bodies, local audit fora etc and senior managers are consulted to obtain their views on issues relevant to their services.

The purpose of the Annual Audit Plan

The PSIAS require the Audit Manager to deliver an annual internal audit opinion that can be used to inform the Council's Annual Governance Statement.

The work streams set out in the Internal Audit Plan approved by this Committee are the primary source of assurance upon which that opinion is based.

West Lancashire Borough Council 2018 / 19 Internal Audit Plan

KEY	Planned work relates to	Reliability and integrity of financial and operational information.	Effectiveness and efficiency of operations and programmes.	Safeguarding of assets.	Compliance with laws, regulations, policies, procedures, and contracts.	Achievement of a strategic priority - Ambitious for our Economy	Achievement of a strategic priority - Ambitious for our Environment	Achievement of a strategic priority - Ambitious for Health and Wellbeing	Priority	Planned days
	General Data Protection Regulations				√				H	20
	Contract Audit (Legal - Procurement)		√	√	√				H	20
	Off Street Parking	√	√	√	√	√	√		H	14
	Main Accounting	√							H	10
	Treasury Management	√	√	√	√				H	10
	Payroll	√	√	√	√				H	20
	Property Management	√	√	√	√		√	√	H	20
	ServiceNow	√	√		√				H	10
	Home Care Link	√	√		√			√	H	20
	Business Rates	√	√	√	√	√			H	15
	Sustainable Organisational Review		√						M	10
	Anti-fraud review	√		√	√				M	20
	Insurance		√	√	√				M	15
	Risk Management	√	√	√	√	√	√	√	M	20
	Sheltered housing		√					√	M	12
	Housing Rents	√	√	√	√				M	14
	Performance indicators	√	√			√	√	√	M	15
	ICT	√	√		√				M	15
	Benefits	√	√	√	√			√	M	15
	Creditors	√	√	√	√				M	12
	Debtors	√	√	√	√				M	12
	Cashiers - Income Management	√	√						M	10
	Council Tax	√	√	√	√				M	15
	Right to Buy Sales	√	√	√	√				M	12
	Caretaking	√	√	√	√		√		M	12
	Homefinder	√	√		√			√	L	12
	Commercial waste	√	√		√		√		L	10
	Civic bulky collections	√	√		√		√		L	8
	National Fraud Initiative			√	√				*	20
	Annual Governance Statement	√			√				*	2
	Money Laundering Reporting Officer				√				*	5
	Total									425

Items marked * relate to work required by legislation which, while not audits, contribute to the overall level of assurance provided. ServiceNow, Sustainable Organisation Review and Cashiers – Income Management relate to internal audit involvement in projects.