

<b>CAMBRIDGE CITY COUNCIL</b> <b>INTERNAL AUDIT PLAN 2016 / 2017</b>
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**1. INTRODUCTION**

- 1.1 This document is intended to demonstrate how Internal Audit will support the overall aims and objectives of the Council. It will be reviewed throughout the year to ensure its continued relevance, both in terms of supporting the council's aims and in achieving a professional, modern audit service.
- 1.2 The Accounts and Audit Regulations 2011 stipulate that a council should maintain "*a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk*". The regulations also provide that council's "*undertake an adequate and effective internal audit of its accounting records and of its system of internal control*" in accordance with the Public Sector Internal Audit Standards. The Audit team are bound by the requirements of these standards.
- 1.3 Internal Audit provides an independent, objective assurance and consulting service that adds value and improves the Council's control environment. It helps the Council deliver its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.4 The provision of assurance is the key role for Internal Audit. This role requires the Head of Internal Audit to provide an annual Audit Opinion based on an objective assessment of the framework of governance, risk management and control. This opinion is provided to the Civic Affairs Committee and also feeds into the Annual Governance Statement. Consulting services are advisory in nature and are generally performed at the specific request of management, with the aim of improving operations. Requests of this nature are considered in light of resource availability and our primary role of assurance.

**2. STRATEGY**

- 2.1 Shared management arrangements have been in place since January 2011 between Cambridge City Council and Peterborough City Council and this was extended to include South Cambridgeshire District Council in July 2013. The reduced provision at senior level has seen a commensurate reduction in cost. Activities being considered to improve services going forward include:
  - Where appropriate, use assurance provided from other authorities on audit activities; and
  - The potential to expand the shared arrangements, subject to appropriate caveats in place to protect Cambridge services. As a minimum this will constitute a review of the existing arrangements.

### 3. AUDIT PLAN

- 3.1 The sources of information used in identifying the priorities put forward for audit coverage include the Corporate Plan; the Financial Strategy; the Council's strategic and operational risk registers; and consultations with individual Directors and their Management Teams.
- 3.2 The Plan for 2016 / 2017 aims to give the Council the best audit coverage within the resources currently available. Though it is compiled and presented as a plan of work, it must be recognised that it can only be a statement of intent. Whilst every effort will be made to deliver the plan, Internal Audit recognises that it needs to be flexible. Any substantial changes will be referred to the Chair of Civic Affairs Committee should the need arise.
- 3.3 Resource requirements are reviewed each year as part of the audit planning process. Current plans are based upon 4.57 FTE.
- 3.4 The overall allocation of time from the estimated 644 days available is as follows (compared with previous year):

Table 1: INTERNAL AUDIT ALLOCATIONS				
	2016 / 2017 Days	2016 / 2017 %	2015 / 2016 Days	2015 / 2016 %
TOTAL RESOURCES ALLOCATED	644	100.0	678	100.0

- 3.5 The internal audit plan needs to be fluid and flexible enough to enable the internal audit service to be reactive as required to situations arising during the course of the period covered by the plan. A contingency reserve element has been built in, to assist in dealing with any such matters arising to hopefully at least minimise any major impact on the work plan itself.