



Committee report

Committee	AUDIT COMMITTEE
Date	21 MAY 2018
Title	ANNUAL AUDIT PLAN 2018-19
Report of	CHIEF INTERNAL AUDITOR

EXECUTIVE SUMMARY

1. This report is to present the Annual Audit Plan for 2018-19 for approval as required under the Public Sector Internal Audit Standards (PSIAS).

BACKGROUND

2. On an annual basis the Chief Internal Auditor is required to produce an Annual Plan that translates into a schedule of audit assignments. The plan defines the areas and potential scope inclusion and must provide a sufficient review of the Authority's functions in order to form an annual opinion on the effectiveness of the control framework. The plan must be proportionate to the risk exposure and appropriately aligned to the strategic objectives of the Council.
3. The 2018-19 Annual Audit Plan will be reviewed half yearly in order to take into account any change in priorities and risk and if required will be represented to this committee.

CONSULTATION

4. Consultation has taken place with the Chief Executive, s151 Officer, Monitoring Officer, all relevant Directors of the Council and Heads of Service and the Chair of this committee. In addition to this discussions have also been held with the External Auditors.

FINANCIAL / BUDGET IMPLICATIONS

5. The provision for Internal Audit Services is provided under a Co-sourced arrangement with PricewaterhouseCoopers (PwC), providing the services for audit and Portsmouth City Council providing the service of Chief Internal Auditor. The annual fee for 2018-19 has increased to £188,020 from £184,222. A separate arrangement is in place for the provision of Chief Internal Auditor, the mandatory National Fraud Initiative, Counter Fraud & Money Laundering arrangements, (including investigations) and Data Analytics with Portsmouth City Council at a cost of £28,000.

LEGAL IMPLICATIONS

6. There are no direct legal implications of this report. The Accounts and Audit (England) Regulations 2015 state 'a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards.

EQUALITY AND DIVERSITY

7. The council has a legal duty under the Equality Act 2010 to seek to eliminate discrimination, victimisation and harassment in relation to age, disability, gender re-assignment, pregnancy and maternity, race, religion, sex, sexual orientation and marriage and civil partnership. It is considered that there are no direct equality and diversity implications of this report for any of the protected groups. The council is required to have adequate governance arrangements in place to effectively manage its resources.

RISK MANAGEMENT

8. The council has a duty to ensure that it has an effective internal audit section in place and that it complies with the PSIAS and by not approving an Annual Audit Plan the committee would not be fulfilling its obligations under statute.

RECOMMENDATION

9. To approve the Annual Audit Plan for 2018-19 as required under the Public Sector Internal Audit Standards.

APPENDICES ATTACHED

10. [Appendix A](#) - Annual Audit Plan 2018-19

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CLLR ADRIAN AXFORD
Chair of Audit Committee