

# **CITY OF CARDIFF COUNCIL CYNGOR DINAS CAERDYDD**

## **AUDIT COMMITTEE: 23 MARCH 2015**

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### **INTERNAL AUDIT STRATEGY 2015-16**

### **REPORT OF CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 8.2**

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#### **Reason**

1. To provide members of the Audit Committee with details of the Internal Audit Strategy for the financial year commencing 1<sup>st</sup> April 2015.

#### **Background**

2. At the commencement of each financial year, consideration is given to updating key documents which form part of the Internal Audit Strategy to set the scene for the twelve months ahead.
3. The key elements of the Strategy form the basis for service delivery and by updating key documents such as the SWOT Analysis and section Risk Register, this enables new challenges to be identified and objectives and performance measures set out for the next twelve months. This work sits alongside a risk assessment process of the audit universe to provide an outline Annual Audit Plan.
4. With continuing emphasis on risk based auditing there has been a move towards a more dynamic annual audit plan and increasingly, with the pace of change and new developments across the Council, and a constantly changing risk profile, the Annual Plan is becoming at best, a yardstick to measure performance against. The pattern is that priorities change even within a few months of the start of a new financial year and it is vitally important that Internal Audit reacts to this in prioritising its work and that there is flexibility in the Annual Audit Plan to accommodate this.
5. This will mean greater divergence over time between actual and planned work and greater reliance placed on the Audit Manager, working more closely with Directors, to ensure assignments are regularly reviewed and prioritised based on risk. This dynamism needs to be borne in mind when considering this report.
6. The Relationship Manager role, introduced last year, involves regular engagement with key stakeholders and has proved successful for both Internal Audit and Directors. The meetings will continue to ensure that new and innovative ways of delivering services are considered, along with the risks and impacts this may have on fundamental financial control.

## **Issues**

7. The Strategy 2015-16 (Appendix A) brings together a number of key documents relating to the twelve months ahead.
8. This document includes an overview of audit resources and the role of audit, together with background scene-setting information for the 2015-16 Plan. This includes an Audit Charter, SWOT analysis, identification of key challenges and main risks faced by the service over the coming twelve months. It also sets out the Section's Service Plan for 2015-16 outlining its objectives, key tasks and performance measures. Where appropriate, separate documents have been prepared for Audit, Investigations, Risk/Governance and Project Assurance.
9. The Plan will be maintained on the audit planning and management database and used to assign audits as the year progresses. Regular monitoring will be undertaken and priorities reviewed on an ongoing basis. Regular reports will be made comparing Plan vs Actual and a number of key performance statistics.

## **Legal Implications**

10. There are no legal implications arising from this proposal.

## **Financial Implications**

11. There are no financial implications arising from this proposal.

## **Recommendations**

12. To approve the content of the Audit Strategy 2015-16.

**CHRISTINE SALTER  
CORPORATE DIRECTOR RESOURCES**

**Appendix A: Internal Audit Strategy 2015-16**