

**INTERNAL AUDIT PLAN 2018-19**  
**WDA/08/18**

**Recommendation**

That:

1. Members approve the Internal Audit Plan for 2018-19.

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**INTERNAL AUDIT PLAN 2018-19****WDA/08/18****Report of the Treasurer****1. Purpose of the Report**

- 1.1 Internal Audit plan their work annually to provide assurance about governance arrangements at the Authority. The plan is attached at Appendix 1 to this report and is subject to approval by the Authority.

**2. Background**

- 2.1 The Authority is required to maintain an adequate and effective Internal Audit both to comply with statutory requirements and to provide assurance that its governance arrangements are as robust as they should be. The Authority's Internal Audit is provided by St Helens Council as a part of the annual Service Level Agreement.
- 2.2 Each year Internal Audit reviews the risk environment at the Authority and identifies the key areas where an independent review is required to confirm the adequacy and effectiveness of the arrangements in place and to make recommendations for improvements where appropriate. This is summarised in an annual Internal Audit Plan.

**3. Internal Audit Plan 2018-19**

- 3.1 The proposed Internal Audit Plan for 2018-19 has been developed by the Audit Manager at St Helens. The plan is drawn from discussions with the Treasurer and other staff at the Authority as well as Internal Audit's knowledge and experience of the governance arrangements and key controls at the Authority.
- 3.2 The Internal Audit plan takes account of areas where work has already been completed recently as well as areas where there has not been a recent review to establish those areas where the risks to the Authority are higher. The plan is then prepared to address the risks identified as a priority by Internal Audit for the year, as well as reviewing other lower risk areas on a cyclical basis. This plan covers the Authority's financial year from April 2018 to March 2019.

3.3 For 2018-19 Internal Audit plans to carry out work on the following areas (for which the associated audit risk is shown for information):

- Resource Recovery Contract (High Risk)
- Waste Contract – Veolia (High Risk)
- Financial Systems (Medium Risk)
- General Data Protection Regulations (Medium Risk)
- Environmental Monitoring System (ISO14001) (Low Risk)

3.4 More detail on the individual reviews is included in the Internal Audit Plan which is attached as Appendix 1 to this report. Internal Audit reports summarising the findings of the individual reviews will be brought to the Authority when each piece of work is concluded.

#### **4. Risk Implications**

4.1 An adequate and effective Internal Audit is a statutory requirement which also provides assurance to Members that governance arrangements are in place and working effectively. Without a risk based audit plan to direct Internal Audit's work they may not contribute to the Authority's governance arrangements effectively, so it is important that a plan is approved by the Authority prior to the commencement of substantive Internal Audit work.

#### **5. HR Implications**

5.1 There are no HR implications

#### **6. Environmental Implications**

6.1 There are no environmental implications associated with this report.

#### **7. Financial Implications**

7.1 The budget for the Internal Audit work was included in the budget approved by the Authority for 2018-19. There are no other financial implications.

#### **8. Legal Implications**

8.1 The responsibility to maintain an adequate and effective system of internal audit of the Authority's system of internal control, in accordance with proper internal audit practices, rests with the Director of Finance of MRWA under Section 73 of the Local Government Act 1985 and the requirements of the Accounts and Audit Regulations 2015 (Part 2 section 5). This plan shows Members how the responsibility is to be discharged during 2018-19.

## 9. Conclusion

- 9.1 Members are requested to note and approve the Internal Audit plan for 2018-19.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.