



Agenda Item B3

Success criteria 1

By: Financial Advisor to The Authority

To: Kent and Essex Inshore Fisheries and Conservation Authority–
19th March 2015

Subject: **DRAFT INTERNAL & EXTERNAL AUDIT PLAN 2015-16**

Classification: Unrestricted

File Ref: BG/IFCA/Audit 15/16

Summary: Draft Audit Plans for 2015-16

1. Introduction

The 2006 Amendments to the Accounts and Audit Regulation require the auditor to prepare an internal audit plan for the Kent and Essex Inshore Fisheries and Conservation Authority and for the Authority to consider and formally approve the plan. Below is set out the proposed plan for the 2015-16 financial year. Most of the audit will be done by sample testing a sufficient number of transactions to give the auditor the necessary level of assurance that the systems of financial control work effectively and provide accurate information to support the Committee's activities.

2. Proposed Plan

The "lighter touch" audit regime instituted by the Audit Commission means that, as a very minimum, the internal auditor is required to perform sufficient work to enable the internal auditor to satisfactorily answer those questions which are set out in Section 4 of the annual return. The scope of the audit proposed will also allow the auditor to provide assurance that systems operate accurately, effectively and securely. In order to be satisfied the internal auditor's testing will concentrate on:-

- Setting the levy
- Accounting arrangements
- Payments
- Income in all forms

- VAT
- Banking and bank reconciliations
- Salaries and wages
- Insurance
- Assets and investments
- Review of risk registers and controls in place to manage risk to the Authority

The work of the audit will also include a review of the arrangements for :-

- The security of systems from the possibility of fraud or corruption
- The security of data
- Matters arising on the audit which may require further investigation, and
- Outstanding matters that may have been raised at previous audits and which remain unresolved

3. Other Items for Inclusion in The Audit Plan

If there are any matters that the Authority would like to be included in the audit programme or greater emphasis given to an item in the programme then the audit plan set out above can be amended.

4. External Audit arrangements

From 1 April 2015 it will no longer be a statutory requirement for the Authority to prepare accounts to be audited by the Audit Commission. The Act which introduced new local public audit arrangements does not apply to this Authority and therefore statutorily we are only required to be audited by an internal auditor (a task that is undertaken by KCC internal audit department twice yearly). However in order to provide protection to Members, the Financial Advisor and staff of the IFCA it would be prudent to consider the appointment of an external auditor to continue to carry out an audit of the accounts. In writing to the IFCA the Audit Commission has suggested that this type of voluntary arrangement could be carried out by individual companies.

5.Recommendations

- that the Authority approve the internal audit programme as described
- that the Authority approve the appointment of an external auditor to carry out the role formerly undertaken by the Audit Commission

Bev Gibbs

Financial Adviser to Kent and Essex Inshore Fisheries and Conservation Authority