

## **Appendix 2**

### **Process for approving changes to the Internal Audit Plan**

The Internal Audit Plan (the Plan) is indicative and may need to be adjusted in response to changes in the Council's business, risks, operations, programmes, systems and controls.

In line with good practice, and to ensure the Plan remains relevant, it is reviewed with the Corporate Governance Group and the Audit and Governance Committee to facilitate discussions of emerging or changing risks which may affect the Plan.

It is important to ensure that there is a clearly established and defined process for changes to the Plan and explain what will happen to cancelled or deferred assignments.

Changes to the Plan can be proposed by the Chief Internal Auditor based on the Council's changing risk profile, or requested by management.

All changes proposed will be clearly documented, with the rationale for the change and the associated risks clearly set out.

In deciding whether to defer an audit the following questions will be considered:

- Is the audit area key to the Council achieving the Corporate Plan ambitions, aims or objectives?
- Does the control environment for the audit area feature in either the corporate risk register or the service level risk register?
- Have there been any issues or incidences in the audit area within the last 12 months that may influence the decision whether to defer or not?
- If management are requesting a deferral what is the justification and what is the impact if the audit was deferred say 3 months, 6 months or one year?
- Can assurances be delivered an alternative way e.g. internally by Officers or buying in expertise?
- Has there been competing priorities or unforeseen work of Internal Audit that has led to the deferral request?
- Does the deferral have an impact on the Internal Audit plan and the Chief Internal Auditor's annual opinion?

The final decision regarding proposed changes will be made by the Audit and Governance Committee.

A clear audit trail supporting the rationale for all proposed changes and the final decision made will be retained by Internal Audit.