

Internal Audit Plan - 2019/20

1 Executive summary

- 1.1 In maintaining and providing assurance for the Annual Governance Statement the Council employs the three lines of defence model. The third line of defence being Internal Audit. As part of that process and in line with statutory requirements Internal Audit draw up an Annual Audit Plan. This document summarises the proposed plan for 2019/20.
- 1.2 The role of Internal Audit is to provide an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.3 The Audit Plan has been drawn together from a number of assessments, including:
- risk and actions aligned to the Council's Corporate Plan;
 - the Council's Corporate Risks, Appendix 1 sets out how this Plan supports the mitigation of these risks;
 - the wider risk environment;
 - direction to areas of focus as part of the three lines of defence assessment by Chief Officers and the Wider Leadership Team;
 - previous levels of assurance, as Internal Audit is required to follow up reviews conducted in previous years where a "limited assurance" has been given; and
 - the risk of potential fraud.

- 1.4 A detailed Plan is set out at Appendix 2 and focuses on reviews around the following themes:
- Assurance and Advisory reviews
 - Financial controls and processes
 - IT Controls
 - Schools
 - Pension Fund
 - Fraud and Corruption
 - Grants
 - Contingency
 - Management and staff development
- 1.5 The findings from each audit will be agreed with the relevant senior management and a summary of assurance reported quarterly to the Audit and Governance Committee. Alongside this the Committee will receive updates on progress in implementing previous recommendations.
- 1.6 The Audit Plan will be delivered by the in-house team (see Appendix 3) who will work in accordance with the Audit Charter (Appendix 4). The performance of the function will be monitored regularly against agreed indicators, and regularly reported alongside audit findings to the Audit and Governance Committee.

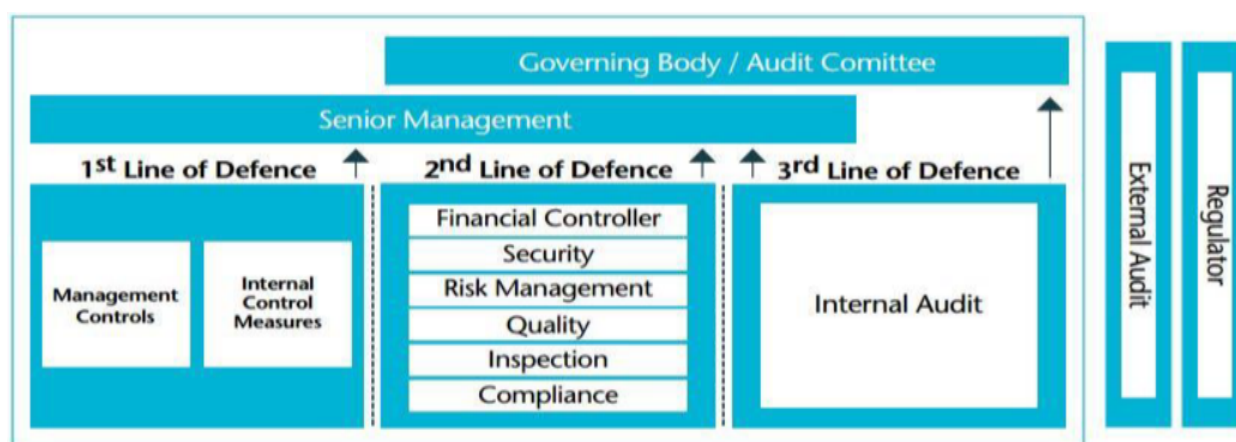
2 Audit Resource

- 2.1 On 1 May 2015 Internal Audit was outsourced to Warwickshire County Council which has been providing the service since then. With effect from 1 April 2019 the Internal Audit service will return following a TUPE process to an in house provision. The team have significant experience of internal audit, local government and this Council and short biographies are attached at Appendix 3.
- 2.2 There are a number of vacant posts that are being recruited to and filling these will be crucial to the delivery of the Plan.
- 2.3 The core team will be supplemented by specialist IT auditors, this service will be provided by Worcestershire Internal Audit Shared Service (WIASS). WIASS is a partnership of 5 District Councils and Hereford and Worcester Fire and Rescue Service; this is hosted by Worcester City Council.

2.4 The budget for the team including on costs and support costs is £400,000.

3 Approach to the Plan

3.1 The Audit Plan is based on a thorough assessment of the risks facing the Council; its mitigation plans and awareness of prior year findings. The audit planning takes into account the "Three Lines of Defence" model to determine the extent of audit coverage and work in order to direct resources appropriately, to secure greater management buy-in to the control environment and to ensure Internal Audit is recognised as adding value. This concept was introduced in detail in a training session to the Audit & Governance Committee in October 2018 and is shown in the diagram below:



3.2 The model shows the three lines of defence that should be operating:

- 1st Line of Defence - Functions that own and manage risks
- 2nd Line of Defence - Functions that oversee risk
- 3rd Line of Defence - Functions that provide independent assurance

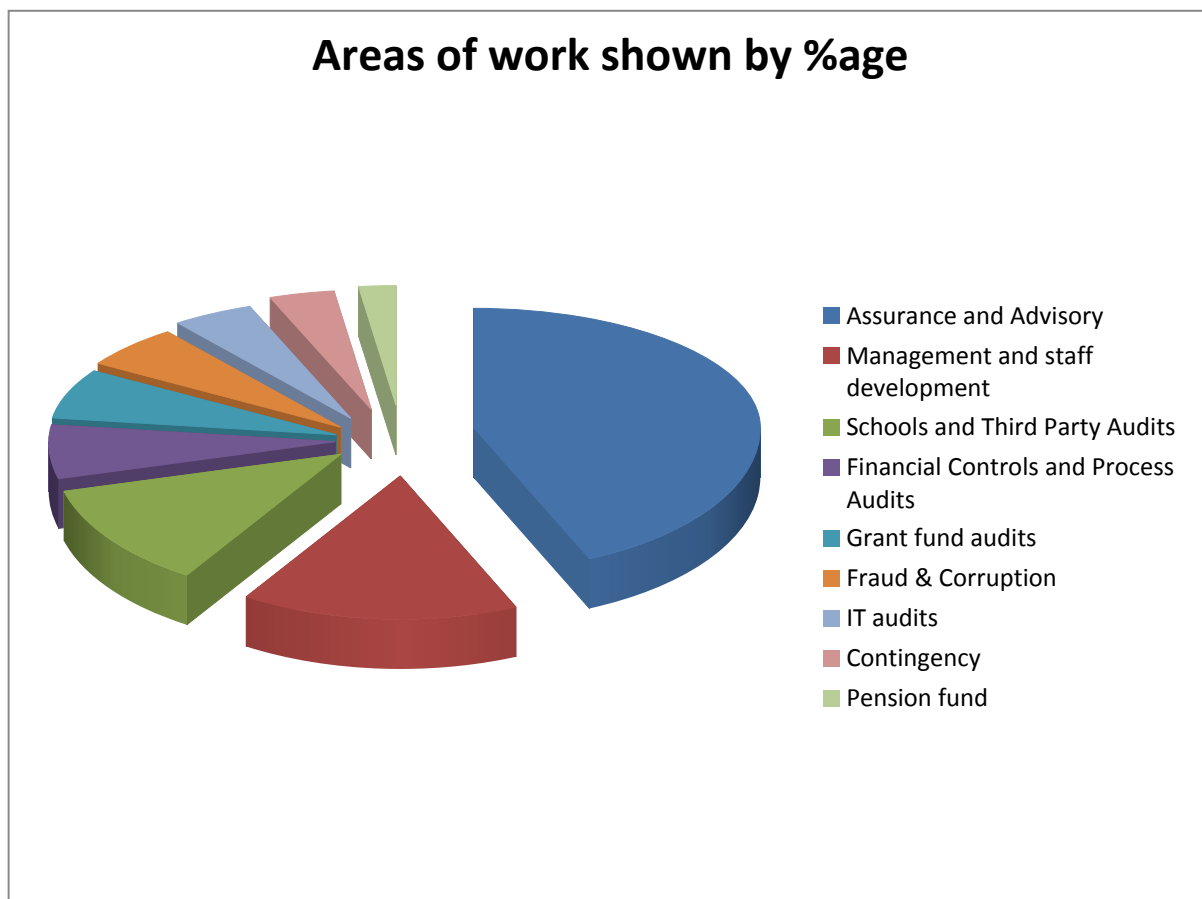
3.3 Using the model, all streams of assurance, whether internal or external, that contribute to the Council's overall risk, governance and control framework are identified. Internal Audit resources can therefore be directed at the areas of highest risk; work being based on assessment of the three lines of defence to evaluate where management should be addressing actions and where the most value can be added.

3.4 Whilst the management of risk is the responsibility of every manager, when looking at the processes of the first two lines of defence, Internal Audit's main roles are to:

- ensure that the first two lines of defence are operating effectively; and
- advise how they could be improved.

3.5 The Audit Plan, applying the three lines of defence, has been informed from a number of assessments as shown in item 1.3.

3.6 As a result of these assessments, a detailed Plan is set out at Appendix 2 and focuses on reviews around the following themes:



3.7 As is accepted best professional practice, the audit plan covers one year. The focus of work is primarily on the high risk areas, change programmes and key corporate processes. Audits of this nature are a more effective use of resources and are key to providing the appropriate assurance to the Council that its overall governance, control and risk management arrangements remain effective.

4 Audit Reporting

4.1 A report, incorporating an agreed action plan, will usually be issued for every audit. An audit opinion is given on how much assurance systems give that

significant risks are addressed. There are four categories of opinion: Full, Substantial, Moderate and Limited assurance.

- 4.2 To assist managers in addressing areas for improvement, recommendations are classified as: Fundamental, Significant and Merits Attention.
- 4.3 Allowance has been made for any Special Investigations required. It is the responsibility of every manager to have systems in place to prevent and detect irregularities. However, if an irregularity is identified, or suspected, managers are required to notify Internal Audit and may need professional support to investigate the matter. All significant investigations will be undertaken by Internal Audit but more minor matters will be referred back to the service manager to progress with support from Internal Audit. The decision on which cases will be investigated will be made by the Head of Internal Audit and the Chief Financial Officer.
- 4.4 The results of audits are reported to the Audit and Governance Committee on a quarterly basis. The assurance work culminates in an annual opinion on the adequacy of the Authority's governance, control and risk management processes which feeds into the Annual Governance Statement. Annual reports and progress reports to the Committee appear on the Council's external website.
- 4.5 There will inevitably be circumstances where amendments to the Audit Plan have to be made. All amendments will be agreed with the Chief Financial Officer and reported to the Audit and Governance Committee.

5 Performance measures

- 5.1 The performance of the Internal Audit programme is subject to regular monitoring. The performance standards for 2019/20 are:

Performance Indicator	Target
Timeliness of audit	
Draft reports to be issued within a maximum of 5 working days following the completion of the audit.	95%
Auditee response to draft reports to be provided within a maximum of 10 working days.	95%
Council Final reports to be issued within a maximum of 5 working days of agreement of the management responses to the draft report.	95%
School response to draft reports to be provided within a maximum of 15 working days.	95%

Performance Indicator	Target
School audit Final reports to be issued within 20 working days of agreement of the management responses to the draft report	95%
Achievement of the Annual Internal Audit Plan by 30 April following the year end.	100%
Satisfaction of the audit	
Average score from client satisfaction survey issued following the completion of planned audit, special investigations and grant audits.	Average score of 4 (on a scale of 1 to 5)
Quality of the audit	
Percentage of Audit Team qualified and maintaining Continued Professional Development	70%
Percentage of audit recommendations accepted	90%
Percentage of audit recommendations implemented in time with agreed dates	85%
Percentage variation from the original planned audits to the final audit plan delivered	85%

6 Internal Audit Charter:

- 6.1 An Audit Charter is a mandatory requirement of the Public Sector Internal Audit Standards and the associated Local Government Application Note (PSIAS) and sets out the purpose, responsibilities and authority of the internal audit service within Worcestershire County Council. With effect from 1 April 2019 the Internal Audit service will return to an in house provision, having been provided by Warwickshire County Council since 1 May 2015. The Charter attached at Appendix 4 sets out what the Council can expect from the Internal Audit service.

Audit Plan authors:

Karen Seabright – Insurance Commissioning Manager

Jackie Sparkes - Engagement Manager (Audit)

Andy Bromage - Head of Internal Audit Shared Service (WIASS)

Appendices:

Appendix 1 – Corporate Risk Register aligned to the Internal Audit work

Appendix 2 – 2019/20 Detailed Audit Plan

Appendix 3 – Internal Audit Team

Appendix 4 – Internal Audit Charter

Corporate Risk Register aligned to the Internal Audit work

Risk	Risk Severity	Examples of internal audit coverage last 3 years	Examples of proposed internal audit role / planned assignments
A. Safeguarding Vulnerable children – rated red in response to OFSTED rating.	Red	<ul style="list-style-type: none"> • Foster care/payments (Substantial) • LAC Placements and placement spend (Substantial) • Direct payments (Moderate) 	<ul style="list-style-type: none"> • Early help effectiveness • Liquid Logic implementation • Worcester Children First • Placements in residential care (Out of County)
B. Education for all children in Worcestershire – financial pressure on schools, changes to school organisation, SEND	Red	<ul style="list-style-type: none"> • School themed, safeguarding (Substantial) • School themed, schools in financial difficulties (In Progress) • Various School visits • Transport including SEND (Moderate) 	<ul style="list-style-type: none"> • School procurement- Thematic review • Risk based school audits • Governor support and training: Thematic review

Risk	Risk Severity	Examples of internal audit coverage last 3 years	Examples of proposed internal audit role / planned assignments
C. Sufficient services for vulnerable adults – pressure from aging population, increasing numbers of adults with learning disabilities, lack of capacity in residential and nursing homes	Red	<ul style="list-style-type: none"> • Panel process (Moderate) • Brokerage (Substantial) • Continuing health care (Moderate) • Social work practice (Substantial) • Hospital discharges (Substantial) • Public Health commissioning and contracting (Moderate) • Direct Payments (Limited) • Case files (Limited) • Learning Disability (Moderate) 	<ul style="list-style-type: none"> • Financial Assessments and billing • Direct Payments • Domiciliary care • Liquid Logic implementation • Section 75 agreements • Care Quality Commission • ACS Establishments
D. Inadequate financial control – risk to the Council's ability to control spend	Red	<ul style="list-style-type: none"> • Contract management (Moderate) • Transformation and savings plans (Moderate) • Procurement (In progress) 	<ul style="list-style-type: none"> • Collaborative Planning • Transformation & savings plans • Corporate project management • Contract management • Business Rates Pool

Risk	Risk Severity	Examples of internal audit coverage last 3 years	Examples of proposed internal audit role / planned assignments
E. Insufficient staff capacity, capability and productivity – challenges associated with recruiting and retaining staff with sufficient skills and experience	Red	<ul style="list-style-type: none"> • Health & Safety (Substantial) 	<ul style="list-style-type: none"> • HR Strategy/Policy development and compliance • Children's Services staff retention and recruitment, advisory
F. Compliance management of Council estate – risk associated with ongoing maintenance of aging estate	Red	<ul style="list-style-type: none"> • Place Partnership Contract Management Arrangements 	<ul style="list-style-type: none"> • Place Partnership Contract Management Arrangements
G .Business continuity response to major event – challenges associated with the ability of the council to deliver critical services in the event of a significant loss of staff or peak in demand	Red	<ul style="list-style-type: none"> • Emergency planning (Substantial) 	<ul style="list-style-type: none"> • Disaster recovery and business continuity
H. Worcestershire Children's First – a range of risks including progress during implementation, disruption to business as usual during implementation and pressure on support services, recruitment of senior management, decision about property and uncertainty due to increased scope of service	Red	<ul style="list-style-type: none"> • ADM Project assurance (In progress) 	<ul style="list-style-type: none"> • WCF governance assurance • Liquid Logic implementation
I. Liquid Logic Implementation – risks to business as usual, costs of backfill arrangements, reputational damage	Red		<ul style="list-style-type: none"> • Liquid Logic implementation

Risk	Risk Severity	Examples of internal audit coverage last 3 years	Examples of proposed internal audit role / planned assignments
J. Organisational Redesign - failure to realise full savings required for 19/20 and 20/21 due to insufficient capacity and capability to deliver within the timescales required.	Red		<ul style="list-style-type: none"> • Transformation & savings plans • Corporate project management • Use of consultants • Transformational Change Plan, advisory

2019/20 Detailed Audit Plan

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
IT Audits				
Disaster Recovery & Business Continuity	Robust business continuity plans are not in place. Key information/data is lost. Business continuity procedures have not been tested and do not work.	Assurance on recovery time objectives for key systems and services. For the IT aspect this will be in partnership with WIASS on the IT audit	3	20
Legacy Systems	Risk that personal/sensitive data is accidentally disclosed because staff or commissioned providers do not process information securely resulting in a breach of the Data Protection Act and enforcement action by the Information Commissioner Officer.	Strategy in place. Understanding of current position. Advisory and stress check. Check and challenge including 'Health Check'. Compliance with Corporate policy. Compliance to statutory requirements.	1	10
Inventory	Inefficient and ineffective use of organisation assets leading to wasted resource.	Strategy in place. Understanding of behaviours, cultures and sub cultures presenting. Monitoring and reallocation to maximise resource usage. Advisory and stress check.	1	8

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
IT Audits				
		Sample test leavers. Trace allocated equipment whereabouts. Compliance with corporate policy. Evaluation of potential loss.		
System Administration	There is a risk that, as a result of the high number of external users with non-expiring Active Directory passwords, that a password is compromised and malicious access to the Council's systems is achieved, resulting in data loss and / or system damage. This is currently necessary as, users who only access the Council's services remotely, currently have no mechanism of changing their password when it expires resulting in loss of access, the risk of which is deemed much greater than the risk posed by this threat.	Strategy in place. Deployment and adherence to corporate policy? Advisory and stress check. IT deploying a logical approach and how applied? Sample test systems. Sample test user profiling, access and management for appropriateness.	2	10
Cloud	Potential inability to track where data is held or how the contract is meeting the needs of the organisation due to poor	Strategy in place. Central IT assurance piece of work. Check and challenge. Sample test agreement(s) and metrics.	4	7

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
IT Audits				
	monitoring or metrics/contract compliance	Contract monitoring for compliance. Deployment of risk mitigation.		
Business Continuity	<p>There is a risk that the Council will not be able to respond effectively to an incident affecting its premises because a robust business continuity plan involving Place Partnership has not been agreed, with the result that there is a significant interruption to services</p> <p>There is a risk that critical services are seriously affected by a major incident or other issue because of a failure in business continuity arrangements, which could result in the interruption of these services.</p> <p>There is a risk that as a result of not checking the business continuity plans of commissioned services that these plans will not be adequate and that there will be failure of the service</p>	<p>Corporate policy in place. Directorate assurance piece of work. Compliance and lessons learnt/applied. Advisory and stress check.</p> <p>Check and challenge. Proof of ownership and being 'fit for purpose'. Sample testing of BC Plans. Single point failure identification. Testing programme outcomes.</p>	3	10

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
IT Audits				
Network patching, malware updating, network access	<p>There is a risk that a cyber security attack (e.g. ransomware) succeeds because of inadequate safeguards with the result that access to key systems is unavailable and/or sensitive data is released into the public domain.</p> <p>There is a risk that the lack of patching of desktop applications results in exploitation of unpatched vulnerabilities causing a cyber security incident where the integrity, availability or confidentiality of the Council's data could be negatively impacted. Currently it is impossible to patch all of the applications as there are over 1000 "approved" applications in use due to prioritisation of cost over security.</p>	<p>Corporate Policy in place. Central IT assurance piece of work.</p> <p>Identify what is actually taking place? Compliance with corporate policy. Sample testing of logs, parameters. Sample testing of exceptions. Sample testing of servers and devices.</p>	4	5
Liquid Logic Project	There is a potential risk that the installation of a major forward facing system in key high	Independent assessment, challenge and evaluation during project.	1-3	12

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
IT Audits				
	<p>profile areas e.g. Adult and Children Services does not deploy properly leading to inadequate service provision, public and media outrage and reputational damage.</p>	<p>To work with and assist the project professionals to ensure the project overview includes key risk elements and mitigations from an early stage in the process. Mitigation of potential risk areas. An additional resource. Advisory and stress check.</p> <p>IT aspects check and challenge: Statutory obligations. Project plan milestones & risk assessment especially identification of single point of failure potential. Business resilience and continuity – key personnel Data mapping/evaluation and cleansing. Testing programmes. Change control processes. System administration & user profiling. Interfaces – outward and inward Highlight/exception reports. Training. GDPR adherence. Parallel running results.</p>		
Follow Up	There is a risk that previous reviews are not followed up leaving recommendations	Independent provision of assurance by evidence that potential risk and vulnerabilities have been addressed and	1-4	8

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
IT Audits				
	incomplete risks and vulnerabilities remaining.	<p>action plans completed to an acceptable standard in a timely manner.</p> <p>Previous IT audit reports and recommendations/ action plans.</p>		
Financial Controls and Process Audits				
Accounts payable	<p>Erroneous and/or inappropriate payments.</p> <p>Qualification of the Statement of Accounts</p>	Review of key financial system to provide assurance on effectiveness of controls and management of risks remaining with the Council. The work will assess responses to previous audit coverage and any changes to the control environment. This will provide assurance to management in the production of the accounts and fiduciary duty around payment.	3	20
Accounts receivable	<p>Unauthorised, inappropriate or untimely amendments are made to customer master file. Amounts due are not collected or are reduced inappropriately.</p> <p>Qualification of the Statement of Accounts</p>	Review of key financial system to provide assurance on effectiveness of controls and management of risks remaining with the Council. The work will assess responses to previous audit coverage and any changes to the control environment. This will provide assurance to management in the production of the accounts and fiduciary duty around income	3	20

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Financial Controls and Process Audits				
Bank reconciliation	<p>Inaccurate bank reconciliations preventing prompt recognition of fraudulent or erroneous entries.</p> <p>Qualification of the Statement of Accounts</p>	The audit will provide assurance on the adequacy of the overall arrangements in place regarding the bank reconciliation process for accounts operated by the Council.	2	10
General ledger	<p>Inadequate reconciliation of control and suspense accounts. Chart of Accounts is not properly controlled and managed. Inaccurate or inappropriate use of journal entries. Lack of appropriate reporting arrangements</p> <p>Qualification of the Statement of Accounts</p>	Review of general ledger processes and procedures to ensure they are operating efficiently and effectively.	3	15

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Financial Controls and Process Audits				
Payroll & HR function	<p>Fraudulent/inaccurate payments are made. Payments are not made in a timely manner. Inaccurate or unauthorised processing of changes to standing data. Failure to process transactions promptly. Over or under payments. Ineffective reconciliation processes. Payments of deductions to third parties are not processed correctly and promptly.</p> <p>Qualification of the Statement of Accounts</p>	The scope of the audit will include the procedures in place for starters, leavers and variations to the payroll, payroll validation, warning and error reporting, recording of transactions in the main financial system and the payment of deductions to third parties. Controls operated by Liberata will not be covered.	3	20

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Adult Services				
Financial Assessments	Income is not maximised. Assessments are not conducted correctly. Minimum Income Guarantee (MIG) is not applied appropriately. Charges are not properly applied with appropriate evidence to support the outcome. Not all assets/income are included in assessments.	To review financial assessments process, ensuring assessments are conducted consistently and all information is taken into account and verified.	1	20
Section 75 Agreements	Previously identified control weaknesses.	Internal Audit are required to follow up reviews conducted in 2018/19 where a "limited assurance" has been given to ensure management actions implemented and improvements made.	2	20
Direct Payments	Previously identified control weaknesses, which have been acknowledged by management, have not been addressed.	Follow up of previous limited opinion report. The audit will review the processes within Adults Services to assess compliance with policies and procedures and the arrangements for the monitoring and review of Direct Payment activity.	3	20

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Adult Services				
Care Quality Commission	Safeguarding risks and reputational damage arising from inadequate rating	Assurance review focusing on preparations for CQC review including pre-checks and data quality	TBC	10
ACS Establishments	Amounts due are not collected, recorded and banked intact. Lack of separation of duties within the income collection process. Petty cash imprest account is not properly controlled and managed. Misuse or misappropriation of service user monies.	Provide assurance on the arrangements in place within Adult Social Care establishments covering the handling of cash including both County Council funds and monies held on behalf of service users.	1	25
Domiciliary Care - billing and charging. Advisory	Robustness / promptness of assessment, billing and debt recovery processes. Are charges being maximised and are clients notified appropriately of charges.	Advisory input in to project for client charges to be paid directly to WCC rather than the care homes.	1	5

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Corporate Finance				
Banking activities	The contract process could be challenged, or weaken controls	Advisory work around the bank tender	3	5
Business Rates Pool	Ineffective governance arrangements. The respective roles and responsibilities of each part are not clear or discharged effectively.	Review of governance arrangements in place and operating around the award from the pool and monitoring of the balance.	3	20
Assurance and Advisory Audits – Children, Families and Communities				
Worcestershire Children First	The respective roles and responsibilities of WCF and WCC are not understood or discharged correctly. Weak governance arrangements. A lack of accountability for the delivery of services. Budgets allocated are not managed effectively. Improved outcomes for children are not achieved.	Governance and processes assurance review to test the arrangements for project managing and company / client set up. A health check of progress and independent assurance the first two lines of defence are operating to mitigate risks.	2	20

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Children, Families and Communities				
Placements in residential care (Out of County)	Procurement processes are ineffective and value for money is not obtained from placements. Service users' needs are not met. Placements continue after they are no longer required.	A review of the arrangements in place in respect of out of county residential care placements. The audit will concentrate on procurement of placements and ongoing reviews which ensure placements continue to be appropriate.	4	20
Procurement cards: Schools and care leavers	Inappropriate/fraudulent purchases are made. Purchases are not reviewed and/or approved. Control/use of budgets is impaired. Procurement processes are by-passed and value for money is not obtained.	To review the operation of controls, ensuring the risk of fraud, errors or misuse of cards is managed effectively.	2	20
Staff recruitment/retention	Risk that processes are in conflict with recruitment/retention objectives	Advisory input in to project for staff recruitment/retention processes	1	5

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Children, Families and Communities				
Early Help and Commissioning	Ineffective governance arrangements.	Assurance on governance of improvement plans and effectiveness of key performance measures/performance management regime.	TBC	20
Assurance and Advisory Audits – Commercial and Change				
Information Governance	Legislative/regulatory breaches that could result in increased risk of penalties for non-compliance or reputational damage	Review of the governance of GDPR and whether compliance with its requirements has been achieved.	1	20
Use of consultants	The appointment of consultants is not properly managed and controlled. The procurement code is not adhered to. The appointment of consultants does not comply with HMRC IR35 guidance.	Review of the authority's use of consultants including management oversight of the appointment of consultants across the authority, the arrangements for procuring consultants and compliance with HMRC IR35 requirement	TBC	20

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Commercial and Change				
Divisional funds	Reputational damage if funds are awarded to projects that do not meet the necessary criteria. Bids for funds are not subject to adequate assessment and authorisation. Funds are not used for their intended purpose	Review of the arrangements in place relating to the Divisional Fund including the assessment and approval of bids and the monitoring of expenditure.	4	20
Place Partnership contract management arrangements	Ongoing maintenance of the aging property estate	Review of contract management arrangements	4	25
Confidential waste destruction	Confidential or sensitive information is made available inappropriately. GDPR are contravened.	Review of arrangements for destruction of confidential waste and assurance around compliance with the regulations	1	15
Transformational Change Plan	The Council's redesign programme is insufficiently resourced or led, resulting in non-delivery of savings or qualitative change.	Advisory work to assist the directorate production of the Transformational Change Plan	TBC	5

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Economy and Infrastructure				
Waste Contract	Lack of appropriate contract payment mechanisms. Regular contract performance monitoring does not take place.	Assurance on the overall arrangements for managing waste especially the contract with Mercia.	4	20
Winter Service	Budget over/under spends. Inefficient use of plant, equipment or materials. Incorrect or unauthorised payments made.	Review of the arrangements in place in relation to the winter service to cover budget management and payments to contractors/farmers.	3	20
Passenger Transport Review	Poor management information leads to flawed decision making	Advisory work around the consultation	1	5
Assurance and Advisory Audits – Cross Cutting				
Transformation & savings plans	Savings plans are unrealistic. Ineffective monitoring/reporting of progress against savings targets. Savings plans are not delivered. Statutory services are not delivered.	Governance of the savings programme. Process for identifying and costing existing savings proposals. Monitoring of delivery of savings plans.	TBC	20

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Cross Cutting				
Corporate procurement	Poor approaches and operational practice give rise to increased costs, or lost saving opportunity.	<p>Advisory work around strengthening corporate approach to procurement and capital.</p> <p>Assessment of existing contract management arrangements to identify lessons to be learnt to feed into retendering exercise. Existence, adequacy and monitoring of performance indicators. Payments are only made in accordance with contractual provisions. Appropriate action is taken to address poor performance.</p>	TBC	5
Corporate project management	Inconsistent application of agreed methodology and regulatory framework. Project governance arrangements are not clearly defined and consistently applied .Staff do not have the appropriate skills or training	Assurance that corporate guidance is complied with across Directorates and that projects are properly managed with appropriate governance and oversight.	TBC	20

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Cross Cutting				
Disaster Recovery & Business Continuity	Robust business continuity plans are not in place. Key information/data is lost. Business continuity procedures have not been tested and do not work.	Assurance on recovery time objectives for key systems and services. For the IT aspect this will be in partnership with WIASS on the IT audit	3	20
Collaborative Planning (budget monitoring tool)	Inaccurate budget data is produced leading to poor budget monitoring and increased risk of overspend affecting the Council's financial standing.	Assurance to management on the progress of improvements in budget management through the use of Collaborative Planning, preparation of budgets and forecasts, training and support to managers, interface between Collaborative planning, E5 and other systems.	2	25

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Cross Cutting				
Implementation of Liquid Logic, replacing Frameworki.	Errors and/or omissions in data exported. Links with other systems do not operate effectively. System users are not sufficiently trained in the use of the system. Insufficient testing before system goes live. No case management system available impacting business as usual. Cost of backfilling arrangements resulting in budget overspend. Reputational damage is project is not implemented successfully.	With the project team, the first line of defence should be working, therefore the audit will aim to provide assurance that there are robust plans in place covering the implementation of the new social care case management system including the arrangements for reporting to management and procedures for ensuring lessons learned from previous system implementations are considered. For the IT aspect this will be in partnership with WIASS on the IT audit	1-3	30
Agency staffing	Contravention of HMRC IR35 requirements. Agency staff used where it is inappropriate to do so. Agency arrangements do not provide value for money.	Review of the authority's use of agency staff including management oversight of the use of agency staff across the authority, the arrangements for procuring agency staff, use of the Matrix contract and compliance with HMRC IR35 requirement.	2	25

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Assurance and Advisory Audits – Cross Cutting				
Travel and Subsistence: Officers & Councillors	Inappropriate/fraudulent claims are made. Journeys are made which are not justified and agreed in advance. Claims are not approved/reviewed by management. Incorrect mileage and/or subsistence rates are paid.	A review of a sample number of travel and subsistence claims to confirm compliance with the policy to include the accuracy of information, reasonableness of mileage claimed and supporting receipts.	2	25
Risk Management	The Authority does not comply with risk management standards and best practice. Risks are not appropriately managed.	Adequacy of risk management policy and procedures including role and responsibilities and training and support available to managers. The identification, assessment and monitoring of risk, its reduction and controls. The governance and oversight of risk management and the linkage to operational issues and the relevant Annual Governance Statement.	TBC	15
Worcestershire LEP - Assurance Framework	Inadequate governance and controls results in funding clawback and reputational damage	The WLEP is actively engaged in responding to the changes in "Strengthening Local Enterprise Partnerships" issued in July 2018 and will need to continue to adapt the framework as decisions on the application of the revised policy are agreed. Assurance work on the resulting changes in structure and governance	TBC	10
HR strategy/policy development and compliance	Inconsistency of practice across directorates, e.g. managing attendance, conduct and performance, recruitment	Compliance with HR policies	3	25

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Schools and Third Party Audits				
School Procurement :Thematic review	The award of contracts is not approved in accordance with the School's requirements. Value for money is not obtained from the award of contracts. Schools are unable to defend a challenge over a procurement process. EU and other statutory requirements are not adhered to leading to financial penalties being imposed against the Council/school. Goods and/or services delivered do not meet the School's requirements. Extensions and/or variations are agreed inappropriately.	Sample of schools to be visited to review effectiveness of procurement arrangements. Common issues and recommendations to be communicated to all schools.	TBC	30

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Schools and Third Party Audits				
Governor support and training: Thematic review	Governing Bodies have insufficient finance training. Budgets are not managed effectively. Insufficient challenge over financial decisions. A lack of accountability for budget related decisions.	A sample of schools to be visited to review arrangements designed to support governing bodies in providing effective financial management. Common issues and recommendations to be communicated to all schools.	TBC	30

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Schools and Third Party Audits				
Schools limited assurance revisits	Previously identified control weaknesses, which have been acknowledged by management, have not been addressed.	Internal Audit are required to follow up reviews conducted in 2018/19 where a "limited assurance" has been given to ensure management actions implemented and improvements made.	TBC	16
Individual school audits planned and inspection	Delegated budgets are not managed effectively. Inappropriate/ fraudulent use of resources. Value for money is not obtained from the award of contracts. Income due is not collected in full. School private fund accounts not subject to appropriate controls and independent audit review. School assets are not recorded, managed & monitored effectively.	A sample of schools to be visited as individual reviews of the effectiveness of the governance and financial management arrangements. The reviews will provide assurance to both Governing Bodies and the Council including compliance with the Schools' Financial Value Statement (SFVS).	1-4	90
Worcestershire Pension Fund				
Pension financial controls	<p>Poor value for money and / or fraudulent activity.</p> <p>Qualification of the Statement of Accounts.</p>	To carry out testing of the financial controls and processes surrounding pension records and liabilities.	3	20

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Worcestershire Pension Fund				
Pensions Investment	Ineffective governance arrangements. Partner Funds cannot place reliance on the Company's systems and controls. An approved annual budget is not in place or has been exceeded therefore requiring partners to add additional contributions. Investments do not adhere to responsible investment principles.	The audit will aim to provide assurance on the management of the risks associated with the investments of the Worcestershire Pension Fund and the transfer of funds to LGPS Central Ltd.	TBC	15
Fraud & Corruption				
National Fraud Initiative	Lack of focus on data giving rise to fraudulent activity not being identified.	To co-ordinate the collection of data and ensure / test that managers are following up matches accordingly.	1-4	8
Counter fraud including analytics	Loss of income	To carry out a range of analytical reviews and explore further work as appropriate. For example income analysis leading to cashing up exercises.	1-4	10
Contingency for special investigations	Risk of loss of funds reported.	To carry out ad hoc investigations as appropriate.	1-4	60

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Advisory				
Contingency for management support	Assurance sought from senior management arising from events that occur in year – based on internal or external events not known at the time of planning the audits.	To carry out ad hoc investigations as appropriate.	1-4	60
Grant Fund Audits				
Kidderminster Trust	Internal Audit certification is mandatory	Grant certification	2	2
LTC National Productivity Investment Fund	Internal Audit certification is mandatory	Grant certification	2	3
Integrated Transport Block	Internal Audit certification is mandatory	Grant certification	2	3
Highway Maintenance block	Internal Audit certification is mandatory	Grant certification	2	3
Highway Maintenance block & Incentive	Internal Audit certification is mandatory	Grant certification	2	3
LTC - Pot hole funds	Internal Audit certification is mandatory	Grant certification	2	3
LTC - Flood Resilience	Internal Audit certification is mandatory	Grant certification	2	3

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Grant fund audits				
Integrated Transport Block (Highways Maintenance)	Internal Audit certification is mandatory	Grant certification	2	3
Highways England Growth & Housing Fund	Internal Audit certification is mandatory	Grant certification	2	3
Grant A4440 Southern link	Internal Audit certification is mandatory	Grant certification	2	3
Bus Subsidy Ring Fenced grant	Internal Audit certification is mandatory	Grant certification	2	5
Rural Growth Fund	Internal Audit certification is mandatory	Grant certification	2	5
Growth Hub	Internal Audit certification is mandatory	Grant certification	1	5
Troubled Families	Internal Audit certification is mandatory	Grant certification	1 -4	25
Youth Justice YOT Grant	Internal Audit certification is mandatory	Grant certification	1	8
European Social Fund (ChS)	Internal Audit certification is mandatory	Grant certification	1	5

Audit description	Risk(s) being focussed on	High level audit work details and added value / assurance	Indicative Timing (Q1-4)	Days
Contingency, Management and Staff Development				
Estimate of time required to finalise 2018/19 planned work	Internal Audit Plan incomplete and risks not resolved.	Complete audit work as required.	1-2	50
Management and meetings	Insufficient supervision reduces the effectiveness of the Internal Audit function	To attend meetings required by the Council; hold regular 1:1 and team meetings; and ensure all performance management requirements are met, including appraisals.	1-4	125
Corporate Risk Management Group	Inadequate risk approach to register or Annual Governance Statement	To contribute to the assessment of risk, the Council's risk approach and the Annual Governance Statement.	1-4	5
Staff development	Insufficient capability reduces the effectiveness of the Internal Audit Function	To draw up and manage an effective workforce strategy.	1-4	TBC depending on resource
New system	Insufficient training and data reduces the effectiveness of the Internal Audit function	To implement and maintain the new audit system.	1-2	40
Administration	Insufficient data and information reduces the effectiveness of the Internal Audit function	To maximise and maintain the use of the new system.	1-4	TBC depending on resource
Total				1406

Internal Audit Team

Head of Internal Audit: Vacant	This post was not part of the TUPE process and as such a new post is being created at the time of presenting this Plan. It is hoped the role will be filled early in the new financial year.
Engagement Manager: Jackie Sparkes	Jackie has worked in Local Government for 43 years and in Internal Audit for the past 34 years. She has been involved in delivering audit services to a number of public sector organisations during her career including County Councils, Police Forces, Police & Crime Commissioners, Fire Brigade and Probation. Jackie is CIMA qualified.
Principal Auditor: Chris Portmann	Chris has worked in local government audit for the past 17 years and has been involved in delivering audit services to a number of public sector organisations during his career including county councils, district councils, police forces, the fire authority and magistrates courts. He also has extensive experience of leading investigations into suspected frauds and other irregularities and fulfilling the role of investigating officer. Prior to working in audit, Chris was employed as a College Finance Manager and has a wide experience of education services and in particular schools. Chris is AAT and AATQB qualified.
Principal Auditor: Lisa Smith	Lisa has worked in local government for 31 years and has worked in Internal Audit for most of that time. During her time in audit Lisa has been involved in delivering audit services to a number of public sector bodies including county councils, police forces and police and crime commissioners. Lisa is AAT qualified.
Auditor: Dominic Roberts	Dominic has worked in local government internal audit for the past 14 years and has been involved in delivering audit services for Worcestershire County Council and Warwickshire County Council. In addition to this has also carried out audits for external clients. Dominic is AAT qualified and has attended the IIA Risk based auditing course.
Auditor posts x 3: Vacant	A number of staff previously employed by Warwickshire have secured other employment. As such the Council is actively recruiting to these posts.

Internal Audit Charter 2019/20



Audit Charter

Background

The Council has a statutory responsibility to have in place arrangements for managing risks; The Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control which:

- facilitates the effective exercise of their functions and the achievement of its aims and objectives
- ensures that the financial and operational management of the Authority is effective; and
- includes effective arrangements for the management of risk.

Furthermore, the CIPFA/SOLACE governance framework "Delivering Good Governance in Local Government" outlines the need for risk management to be embedded into the culture of the organisation, with members and officers recognising that risk management is an integral part of their jobs.

The requirement for an internal audit function is also contained in the Regulations which require the Authority to:

"undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."

Definitions

The role of the "Board" outlined in the PSIAS is fulfilled by the Audit and Governance Committee. The role of senior management is fulfilled by the Chief Financial Officer.

The role of the Chief Audit Executive (Head of Internal Audit) will be fulfilled by the Chief Internal Auditor when the role is filled.

Purpose

The Council has to comply with the PSIAS which define internal audit as:

“an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

The IIA standards, on which PSIAS are based, define the role of an effective internal audit function as:

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.”

Achievement of this is supported by a range of standards and guidance including: the Core Principles, the Definition of Internal Audit and a Code of Ethics.

For an audit function to be considered effective all of the following Core Principles must be present and operating effectively:

1. Demonstrates integrity.
2. Demonstrates competence and due professional care.
3. Is objective and free from undue influence (independent).
4. Aligns with the strategies, objectives, and risks of the organisation.
5. Is appropriately positioned and adequately resourced.
6. Demonstrates quality and continuous improvement.
7. Communicates effectively.
8. Provides risk-based assurance.
9. Is insightful, proactive and future-focused.
10. Promotes organisational improvement.

The PSIAS includes a mandatory Code of Ethics (based on international IIA standards) covering integrity, objectivity, confidentiality and competency. All internal auditors in the public sector must also have regard to the Committee on Standards of Public Life’s Seven Principles of Public Life – the Nolan principles.

The Service also assists the designated Chief Financial Officer in discharging his delegated responsibilities under Section 151 of the Local Government Act 1972 which requires that authorities:

“make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”.

Scope and Responsibility

Internal Audit is responsible for providing assurance in accordance with all relevant professional standards and guidance across the Council’s entire control environment and across all activities, including:

- services provided on behalf of other organisations by the Authority and
- services provided by other organisations on behalf of the Authority.

In addition to core assurance work Internal Audit also provides the following work:

a) Consultancy / Advisory work

This work is designed to add value and offer insights that should improve the effectiveness of risk management, control and governance processes at the request of the organisation, subject to the availability of skills and resources.

Due to its detailed knowledge of systems and processes Internal Audit is well placed to provide advice and support to managers on the implications of changes to policy or processes. As such Internal Audit must be informed and consulted about plans for major or complex changes to systems. Internal Audit will advise / comment on proposed changes and the controls to be incorporated in new and revised systems when invited to do so or where agreed in the annual plan. The final decision on whether to accept the audit advice rests with the relevant manager(s) but where appropriate the issue will be escalated to more senior management. The provision of such advice does not prejudice Internal Audit’s right to evaluate the established systems and controls at a later date.

b) Fraud

All managers are responsible for the prevention and detection of fraud, corruption and other irregularities. Internal Audit, however, assists with these responsibilities. Internal Auditors when conducting audit assignments are alert to opportunities, such as control weaknesses that could allow fraud. If Internal Audit discovers evidence of a fraud or other irregularity the relevant line manager will be informed.

Managers should immediately inform Internal Audit if a fraud or other irregularity is suspected, Internal Audit will then inform the Chief Financial Officer of significant allegations. Other officers will in turn be informed as appropriate and consistent with the need to ensure confidentiality is maintained so as not to prejudice any subsequent investigation.

Managers should also ensure that:

- any supporting documentation or other evidence is secured; and
- confidentiality is maintained so as not to prejudice any subsequent investigation.

Usually straight forward matters will be investigated by the service concerned with support provided by Internal Audit who may investigate the more complicated or large cases of suspected fraud and other irregularities. In all cases it is the responsibility of the relevant manager(s) to determine what action to take as a result of the investigation.

Internal Audit is responsible for reviewing the Authority's response to fraudulent activity in order to ensure that appropriate action has been taken. Once an investigation is concluded, Internal Audit will undertake a review to determine whether controls should be strengthened.

Internal Audit is responsible, following consultation with relevant managers, for reporting frauds and subsequent liaison with the Police and other investigative agencies.

Value for money

Internal Audit will offer advice and insight concerning instances of over control, or inefficiency, but will not specifically examine or evaluate the extent that value for money is achieved as part of routine reviews.

Where specifically agreed in the audit plan Internal Audit will, subject to availability of resources, also:

- undertake or participate in specific value for money, or similar, reviews / projects;
- facilitate the introduction of best practice across the Authority.

The scope of a value for money / service review will not normally overlap with the scope of an audit. Internal Audit will take account of the timing and scope of such reviews when planning its work.

Where a review team is actively looking at options that have a material impact on risks and controls Internal Audit must be informed at an early stage. Where requested, and subject to the agreement of the relevant manager, Internal Audit will assist reviewers by supplying information and knowledge gained during audits where this is relevant to the scope of the review.

Other

Internal Audit may, at the request of senior managers or the Council or any of its committees, carry out investigations into issues where the Authority's strategic, corporate or financial interests are at stake.

Wherever possible the member of Internal Audit responsible for providing advice on a particular topic will not undertake assurance work on that topic for at least 12 months. Where this is unavoidable management supervision will ensure that no conflict of interest arises and objectivity is maintained.

Any significant unplanned non-assurance work that would impact delivery of the core assurance work will be discussed with the Chief Financial Officer and reported to the Audit and Governance Committee.

Independence

The Service is managed by the Head of Internal Audit who is professionally qualified as required by PSIAS. Although the Head of Internal Audit's direct reporting line on audit matters is to the Chief Financial Officer, he/she also reports functionally to the Audit and Governance Committee which has responsibility for overseeing audit arrangements.

Internal Audit does not have any executive responsibilities and is independent of the activities that it audits. This enables it to provide impartial and unbiased professional opinions and recommendations.

Internal Audit is free to plan, undertake and report on its work, as it deems appropriate, in consultation with relevant managers and the Audit and Governance Committee.

As the first line of defence, line managers are fully responsible for the quality of internal control within their area of responsibility. They should ensure that appropriate and adequate control and risk management arrangements exist without depending on internal audit activity.

Internal Audit provides advice and assistance to managers and provides assurance that their control responsibilities are being properly fulfilled. Line managers are

accountable for accepting Internal Audit's advice and implementing its recommendations.

Audit and Governance Committee

The Council is responsible for maintaining an Audit Committee which complies with all relevant guidance. The Committee's responsibilities include reviewing and commenting upon:

- formally approving the audit charter;
- formally approving (but not directing) the overall internal audit programme of audits to ensure that it meets the Council's overall strategic direction (paying particular attention to whether there is sufficient and appropriate coverage);
- reviewing and commenting on summaries of work done, key findings, issues of concern and action in hand as a result of audit work; and
- receiving and reviewing the annual report from Internal Audit in order to reach an overall opinion on the internal control environment and the quality of internal audit coverage.

Right of access

To undertake its work Internal Audit has unrestricted access to all the Authority's personnel, premises, documents, records, information and assets including those of partner organisations. Internal Audit has authority to access all relevant computer data as part of their work, including that registered under the Data Protection Act.

Internal Audit is authorised to obtain the information and explanations they consider necessary from any employees, partners or agents of the Authority to fulfil their objectives and responsibilities. Managers must ensure that Internal Audit access is considered when preparing partnership agreements or contracts for the purchase or supply of goods and services.

Internal Audit has the right of access to any data required for their work that is owned by the Authority, but is processed or held elsewhere by third parties.

The Head of Internal Audit has the right of direct access to the Leader, Chief Executive, Chief Financial Officer, Chair of the Audit and Governance Committee, Directors and Heads of Service.

Standards

Internal Audit operates in accordance with the best practice standards and guidance in the PSIAS.

Individual auditors are required to comply with the standards, all relevant ethical and technical standards issued by their professional bodies and with all relevant codes of conduct issued by the Council.

Internal auditors are expected to:

- exercise due professional care based upon appropriate experience, training, ability, integrity and objectivity;
- maintain and keep up to date their professional knowledge and skills and to participate in any continuing professional development scheme (CPD) operated by their professional body;
- participate in the Council's performance review scheme;
- comply with the Council's rules about declaring interests; and
- obtain and record sufficient audit evidence to support their findings and recommendations.

Internal Audit will safeguard the information obtained in carrying out its duties. Information obtained will not be used for personal gain or disclosed unless there is a legal or professional requirement to do so (for example under the Freedom of Information Act).

Planning

Internal audit work is planned at all levels of operation in order to establish priorities, achieve objectives and ensure the efficient and effective use of audit resources.

Internal Audit produces an annual plan. This is developed in consultation with senior managers and takes account of the Authority's aims, strategies, key objectives, associated risks and risk management processes. The Audit and Governance Committee agrees each year's plan. The plan includes an element of contingency to allow Internal Audit to be responsive to changing conditions and requests for assistance from managers. It is the responsibility of the Chief Financial Officer to ensure that the budget allocated to Internal Audit is sufficient to ensure that the plan can be delivered.

Internal Audit are authorised, in consultation with the Chief Financial Officer, to amend the plan during the year as necessary to reflect changes to systems or processes or in the risks facing the Authority. Any significant changes will be reported to the Audit and Governance Committee. All managers are expected to notify Internal Audit of any issues that may potentially require a change in the plan as soon as they become aware of them.

Terms of reference are prepared for each routine assignment and usually discussed with relevant line managers before the work is started.

Reasonable notice will usually be given to the relevant manager of the start of an audit and Internal Audit will minimise any disruption to the smooth running of the unit under review. Internal Audit reserves the right for unannounced visits where Audit considers it necessary.

Reporting

All findings are reported to appropriate managers. Significant issues are reported in writing. The reports include an opinion on the adequacy of controls in the area reviewed, make recommendations for improvement and specify the officer responsible for implementation. Opinions on individual assignments feed into the overall opinion given in the annual report. Recommendations are prioritised.

Reports will usually be agreed with the relevant Head of Service and the final agreed report will be copied to the relevant Director. Reports identifying significant financial issues will also be copied to the Chief Financial Officer. Audits resulting in a limited opinion will also be reported to the Strategic Leadership Team.

The Council is responsible for publishing agreed reports as they consider appropriate.

Internal Audit is responsible, based upon information provided by the Council, for reporting to the Audit and Governance Committee on the extent of implementation of agreed internal audit recommendations.

Internal Audit submits regular reports to the Audit and Governance Committee summarising the results of audits and progress in implementing audit recommendations. An annual report will be provided giving an opinion on the Authority's system of internal control which feeds into the annual review of the effectiveness of the Authority's system of internal control and the Annual Governance Statement.

Co-operation

Internal Audit co-ordinates internal audit plans and activities with other internal and external providers of assurance, to ensure the most efficient use of the total resources devoted to audit. As recognised in professional standards (ISA 610) external audit and internal audit have different objectives and priorities. Internal Audit are authorised to share information with external auditors and the Cabinet Office (for the purposes of the National Fraud Initiative).

Internal Audit will liaise as appropriate with those involved in risk management and other policy and assurance providers, internal and external, sharing information and co-ordinating work as far as is practicable, in line with appropriate professional standards and other confidentiality considerations.

Internal Audit will work in partnership with other parts of the organisation on such matters as corporate governance, data protection, contracting and risk management.

It is the responsibility of every manager to be open, frank and honest at all times about any risks, concerns or problems that may exist and should provide more detailed information and evidence to Internal Audit within a reasonable time scale.

Managers setting up a shared service / partnership or outsourcing a service must consider the requirement for assurances in relation to what they are doing, including the option of Internal Audit and must include appropriate assurance obligations and internal audit access rights in any agreement.

Quality of service

Internal Audit provides a quality assurance programme to ensure that work complies with professional standards and achieves its objectives.

Internal Audit takes the following steps to provide a quality service:

- adopts a flexible risk driven approach;
- works in partnership with managers and staff to develop and maintain adequate and reliable systems of internal control;
- continually seeks to improve the efficiency of its services in consultation with managers from across the Authority;
- regularly reviews its procedures to ensure that they remain appropriate.

The quality assurance programme includes:

- suitable guidance, support and review of all internal audit work;
- seeking feedback from line managers on the quality of internal audit work;
- periodic internal quality audits to monitor services provided by all internal auditors; and
- regular internal and external assessments.

Any complaints about Internal Auditors or the service provided will be investigated and responded to promptly.