



Oadby & Wigston Borough Council

Draft: 2023/24 Internal Audit Plan

In partnership with



cw audit

internal audit services

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This document, prepared by 360 Assurance and addressed to OWBC directors or officers is prepared for the sole use of OWBC, and no responsibility is taken by 360 Assurance to any director or officer in their individual capacity. No responsibility to any third party is accepted as the document has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit between OWBC and 360 Assurance dated 1 April 2023 shall not have any rights under the Contracts (Rights of Third Parties) Act 1999. The appointment of 360 Assurance does not replace or limit OWBC's own responsibility for putting in place proper arrangements to ensure that its operations are conducted in accordance with the law, guidance, good governance and any applicable standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Introduction

This document provides your draft plan for Internal Audit for 2023/24. From 1 April 2023 CW Audit will merge with 360 Assurance, who are an NHS hosted service providing internal audit and counter fraud services to South Yorkshire and the East Midlands. The merged organisation will be known as 360 Assurance. Your immediate service delivery team will remain the same; the merged organisation will bring opportunities to work with a wider range of specialists and access to a broader client base for best practice suggestions.

Your draft Internal Audit Plan has been developed to meet your assurance requirements. It reflects your objectives and priorities, provides assurance and supports improvement, is fully compliant with Public Sector Internal Audit Standards and provides for an annual Head of Internal Audit Opinion. We will take a flexible approach and will keep the workplan under review throughout the coming year.

The Plan does not address all key risks identified across the audit universe as part of the risk assessment process. The level of internal audit activity represents the allocation of internal audit resource, which has been prioritised as appropriate through discussions with Council officers; when approving this plan, the Audit Committee should recognise this limitation. This Plan has been drafted on the basis of the resource available for internal audit as outlined in the contract that the Council has in place with CW Audit.

Summary plan

This table summarises your 2023/24 Internal Audit plan. The full plan is provided at [Appendix A](#).

Ref.	Audit	Phasing*	Days	Assurance or Advisory
Corporate				
1	Governance Arrangements	Q3	10	Assurance
2	Risk Management	Q3	8	Assurance
3	National Fraud Initiative	Q1 – Q4	8	Advisory

Finance				
4	Financial Management & Reporting	Q4	10	Assurance
5	Financial Systems (Creditors / Debtors / Treasury Management)	Q4	15	Assurance
6	Revenues (Council Tax & Business Rates)	Q3	15	Assurance
7	Benefits/Council Tax Support	Q4	10	Assurance
Customer Services & Transformation				
8	HR – Staff Development	Q2	10	Assurance
9	Payroll & Expenses	Q3	10	Assurance
10	Procurement	Q2	15	Assurance
11	IT Audit	Q3	12	Assurance
Law & Democracy				
12	Licensing	Q2	10	Assurance
13	Private Sector Housing – Enforcement	Q1	10	Assurance
14	Complaints Management	Q2	7	Assurance
15	Leisure Services – Contract Management	Q3	10	Assurance
16	Asset Disposals	Q2	10	Assurance

Built Environment				
17	Housing Allocations (Choice Based Lettings)	Q1	10	Assurance
18	Housing Maintenance, Repairs & Voids	Q3	15	Assurance
19	Disabled Facilities Grants	Q1	10	Assurance
20	Grant Certifications	Q4	10	Assurance
Refuse & Recycling				
21	Fleet Management	Q2	10	Assurance
Management, Follow Up & Contingency				
22	Client Management	Q1 – Q4	20	Assurance
23	Recommendation Tracking & Follow Up	Q1 – Q4	15	Assurance
24	Contingency	As required	10	Assurance
TOTAL			270 days	

**this phasing is indicative at this stage; this will be revisited in year to align with client requirements where possible and our resource availability as we finalise all of our client plans.*

2023/24 Draft Internal Audit Plan

Engagement with Senior Leadership Team and Audit Committee

In producing this draft plan we have reviewed key documents and held planning meetings with the following stakeholders:

- Anne Court – Chief Executive
- Tracy Bingham – Strategic Director (s151 Officer)
- Philippa Fisher – Strategic Director
- Trish Hatton – Head of Customer Services & Transformation
- Dave Gill – Head of Law & Democracy
- Adrian Thorpe – Head of Built Environment

As part of our engagement process so far, we have discussed the following with you:

- the following major projects are to be undertaken in the next 12 months:
 - move from Bushloe House to Brocks Hill.
 - fleet vehicle refurbishment/replacement.
 - social housing decarbonisation.
 - social housing new supply.
- you expect to receive the following third party assurances over the next 12 months for services that have either been contracted out, or are delivered through partnership arrangements:
 - payroll (SBS, Leicestershire County Council)
 - disabled facilities grants (Lightbulb, Blaby District Council)
 - building control (Blaby District Council)

The revised plan will be presented to the April 2023 Audit Committee meeting for approval.

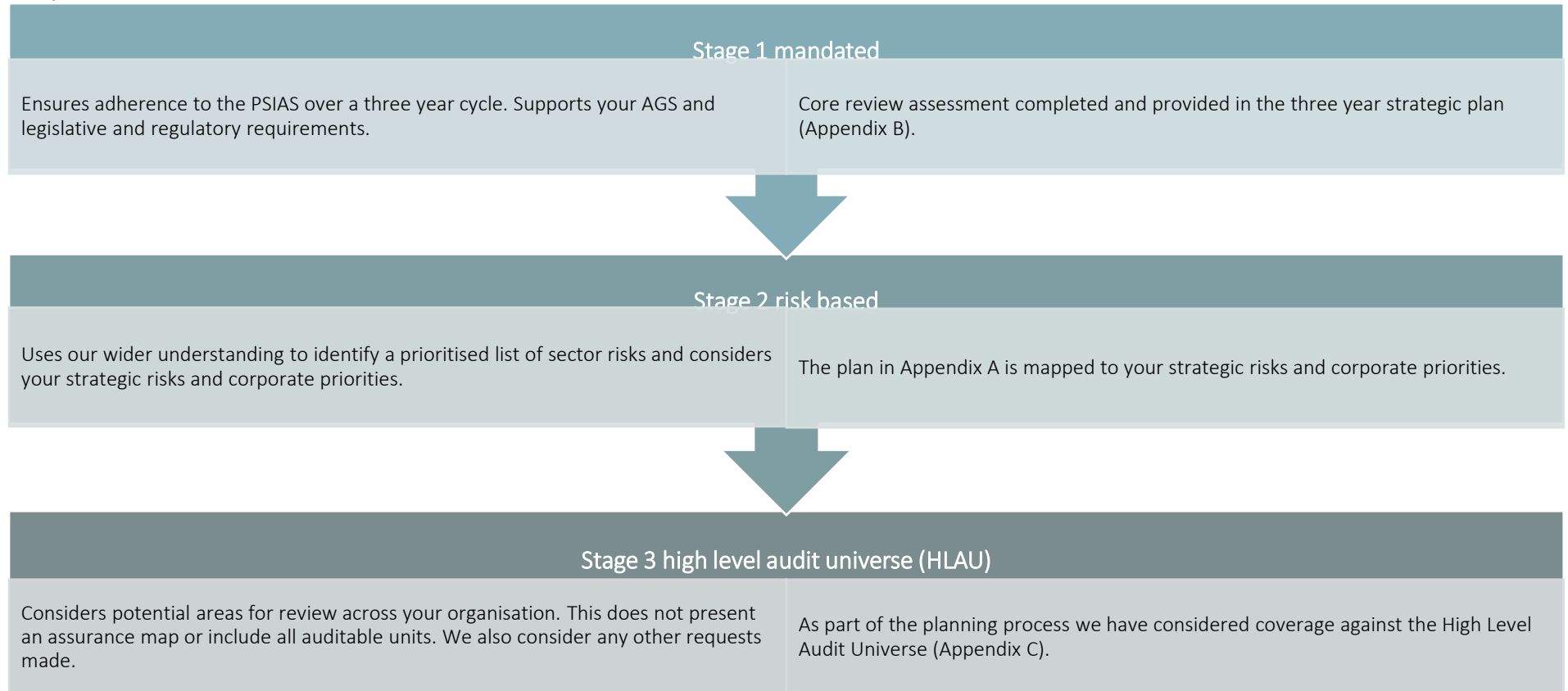
Planning process

We undertake a risk assessment to ensure your plan is focused on your key risks and which:

- ensures appropriate coverage to meet the requirements of the Public Sector Internal Audit Standards (PSIAS)
- facilitates the Audit Committee in discharging its responsibilities in relation to governance, risk management and control
- supports achievement of strategic objectives.

We will continue to take a flexible approach to delivery of your plan. Even once the plan is agreed, we will continue to scan your local and national risks and suggest changes as appropriate.

The process is outlined in the table below.



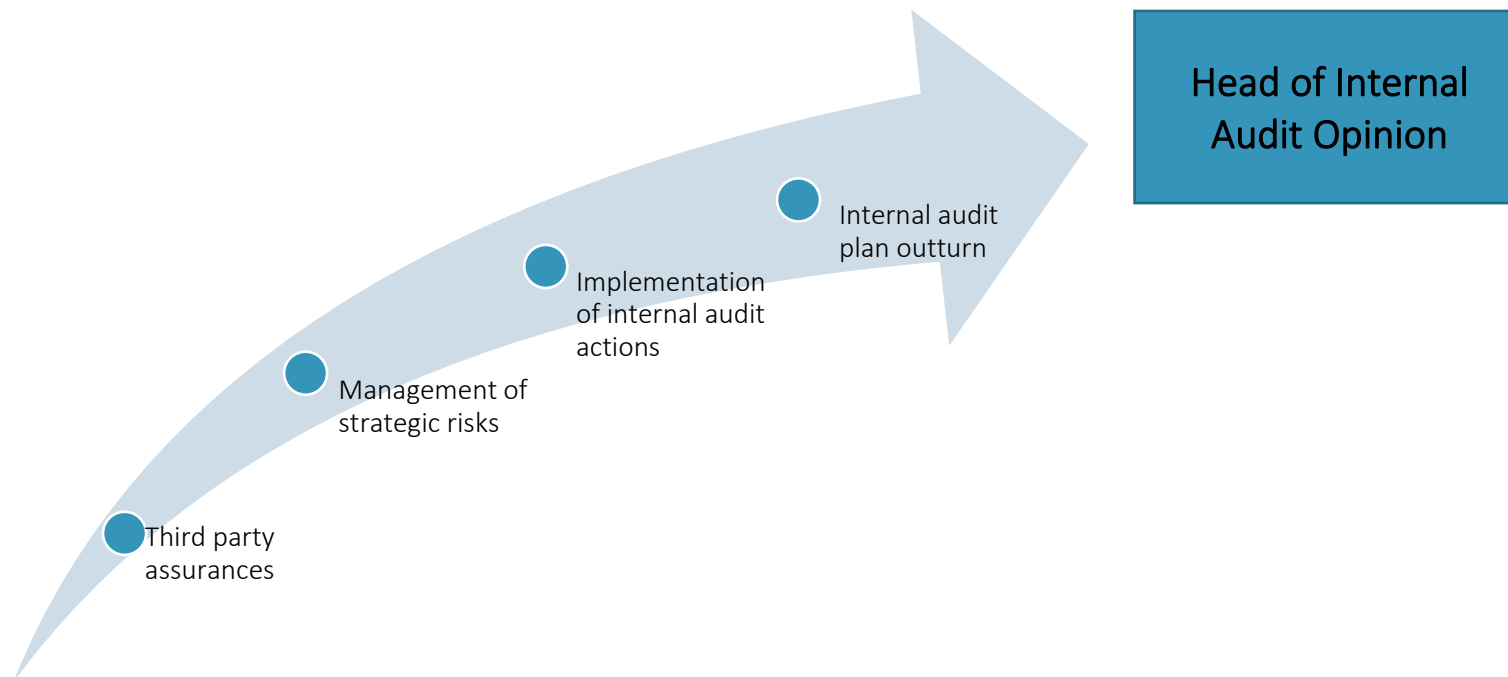
The output of this risk assessment process informs the proposed annual plan. Appendix A summarises your proposed 2023/24 annual plan. The strategic internal audit plan is presented in Appendix B.

Statutory requirements

Head of Internal Audit Opinion

Our planning process is designed to meet the requirements of the Head of Internal Audit Opinion Statement and to support your Annual Governance Statement, including ensuring the risk management processes in place are well designed and operating as intended.

Our year-end Head of Internal Audit Opinion will be based on the findings of our annual work programme, which focuses on the four areas outlined in the diagram below.



Public Sector Internal Audit Standards

The Plan is compliant with the PSIAS. Our Internal Audit Charter will be presented with the plan at the April 2023 Audit Committee to demonstrate how we align to your internal audit requirements.

Conclusion

The Audit Committee has delegated responsibility to approve the internal audit plan for the Council. The Committee must be satisfied with the planned coverage and take into account other sources of independent assurance. The plan has been developed on the basis of 270 internal audit days being delivered during the year.

We seek approval from the Audit Committee for our proposed plan. We will continue to horizon scan and liaise with the senior management team to ensure the plan remains relevant to the rapidly changing environment in which you operate.

We work in partnership with the Council to deliver this plan and continue to seek efficiencies in the way we work. Cooperation of Council officers is essential to support the timely delivery of our plans.

Appendix A – Internal Audit Plan and indicative phasing for 2023/24

Ref.	Audit	Strategic Risk / Corporate Objective	Days	Phasing*	Outline scope	Assurance or Advisory
Corporate						
1	Governance Arrangements	CR5, CR8, CO1, CO2, CO3	7	Q2	Review of areas highlighted for improvement in the Annual Governance Statement to ensure appropriate action has been taken.	Assurance
2	Risk Management	All	8	Q3	Review of the Council’s approach to managing risk and contribution to HOIA annual opinion.	Assurance
3	National Fraud Initiative	CR1, CR6, CR12	8	Q1-Q4	To provide key contact, project management and overview support to ensure progression of the NFI process to meet Cabinet Office requirements.	Advisory
Finance						
4	Financial Management & Reporting	CR1, CR6, CR10, CO2	10	Q4	To consider the adequacy and robustness of managerial control processes regarding the medium term financial strategy, budget setting and management, including a targeted review to support and assure on key areas of change/savings within the MTFS.	Assurance
5	Financial Systems (Creditors / Debtors / Treasury Management)	CR1, CR12, CO2	15	Q4	Review of key controls over fundamental financial systems.	Assurance

Ref.	Audit	Strategic Risk / Corporate Objective	Days	Phasing*	Outline scope	Assurance or Advisory
6	Revenues (Council Tax, Business Rates & Debtors)	CR1, CR6, CR12, CO3	15	Q3	Key financial and public facing systems requiring regular assurance. Review of key controls over Council Tax, Business Rates and collection of other Council income through the debtors system.	Assurance
7	Benefits/Council Tax Support	CR1, CR6, CR12, CO3	10	Q4	Key public facing system requiring regular assurance over accuracy, validity and timeliness of benefits. Review of controls over Benefits, Universal Credit and Council Tax support.	Assurance
Customer Services & Transformation						
8	HR – Staff Development	CR1, CR6, CR8, CR10, CR12, CO3	10	Q1	To ensure that Council officers are set reasonable objectives and performance against achievement of these objectives and that these align with service plan and corporate objectives.	Assurance
9	Payroll & Expenses	CR1, CR6, CR12	10	Q3	To provide assurance that salaries and expenses are paid in an accurate, timely and complete manner.	Assurance
10	Procurement	CR1, CR2, CO2, CO3	15	Q2	Review of procurement arrangements to ensure that goods and services are obtained in a cost effective manner and in accordance with relevant procurement rules	Assurance

Ref.	Audit	Strategic Risk / Corporate Objective	Days	Phasing*	Outline scope	Assurance or Advisory
11	IT Audit	CR10, CR13	12	Q3	Review the robustness of the process followed to transfer IT services from Bushloe House to Brocks Hill.	Assurance
Law & Democracy						
12	Licensing	CR6, CR8, CO1, CO3	10	Q2	Review of licensing arrangements for special treatments (e.g. tattoos, acupuncture), animal welfare and hairdressers/stylists.	Assurance
13	Private Sector Housing – Enforcement	CR4, CR6, CR8, CO1, CO3	10	Q1	Review of processes in place to ensure that health and safety standards are properly maintained in the private sector rental market, including inspections under the Housing Health & Safety Rating System (HHSRS) in applicable cases.	Assurance
14	Complaints Management	CR4, CR6	7	Q2	To ensure that complaints are recorded, investigated and responded to in a complete and timely manner in accordance with a prescribed policy and supporting procedures.	Assurance
15	Leisure Services – Contract Management	CR2, CR4, CR6, CR7, CO1, CO3	10	Q3	Review of the monitoring arrangements in place to ensure that the leisure service provider (SLM) delivers services in accordance with the contract and specification at Parklands Leisure Centre and Wigston Pool & Fitness Centre.	Assurance

Ref.	Audit	Strategic Risk / Corporate Objective	Days	Phasing*	Outline scope	Assurance or Advisory
16	Asset Disposals	CR7, CR8, CR12, CO2	10	Q2	To ensure that the financial probity and legal requirements have been met in respect of the sale of Bushloe House and Oadby Pool and that proceeds are utilised effectively.	Assurance
Built Environment						
17	Housing Allocations (Choice Based Lettings)	CR4, CR6, CR08, CO1, CO3	10	Q1	To provide assurance that the Council's Choice Based Lettings system is being effectively delivered on a fair and transparent basis.	Assurance
18	Housing Maintenance, Repairs & Voids	CR1, CR2, CR4, CR6, CO1	15	Q4	To provide assurance that expenditure on housing repairs, maintenance and voids is properly controlled in accordance with financial regulations and that housing stock is maintained to an appropriate standard.	Assurance
19	Disabled Facilities Grants	CR2, CR3, CR4, CR6, CR8, CR12, CO1, CO3	10	Q1	Review the process for managing the services provided by Lightbulb for the disbursement of Disabled Facilities Grants.	Assurance
20	Grant Certifications	CR8	10	Q4	To provide Chief Auditor certification of grants as required by central government.	Assurance

Ref.	Audit	Strategic Risk / Corporate Objective	Days	Phasing*	Outline scope	Assurance or Advisory
Refuse & Recycling						
21	Fleet Management	CR1, CR2, CR7, CO3	10	Q2	Provide assurance that the size of the vehicle fleet reflects the Council's needs, is utilised effectively and is properly maintained. Appropriate financial probity controls are applied for any new vehicle fleet acquisitions.	Assurance

Ref.	Audit	Strategic Risk / Corporate Objective	Days	Phasing*	Outline scope	Assurance or Advisory
Management, Follow Up & Contingency						
22	Client Management	N/A	20	Q1-4	<p>For management of the Council’s internal audit service, including:</p> <ul style="list-style-type: none"> • production of the Strategic Internal Audit Plan and annual work programme • production of Head of Internal Audit Opinion & Annual Report • continual review and update of the Internal Audit Plan to ensure it meets the needs of the organisation • provision of ad hoc advice and support regarding internal control and governance issues • quality management • progress reports to the Audit Committee and Director of Finance • liaison with External Audit • attendance at Audit Committee, client progress meetings, and other meetings as required. <p><i>This section is in accordance with requirements of Internal Audit Standards.</i></p>	Assurance
23	Recommendation Tracking & Follow-Up	N/A	15	Q1-4	To follow up agreed actions in all internal audit reports using the recommendation tracker.	Assurance

Ref.	Audit	Strategic Risk / Corporate Objective	Days	Phasing*	Outline scope	Assurance or Advisory
24	Contingency	N/A	10	Q1-4	<p>Contingency is used to cover the following:</p> <ul style="list-style-type: none"> • Changes to audit assignments that could not have been reasonably foreseen • Facilitate additional work where required or scope increases • Where we experience delays in obtaining evidence and/or receiving responses to queries • Where meetings are cancelled and we prepared and/or travelled to client sites • In line with our KPIs where we do not receive agreement to terms of reference and agreement to draft reports in a timely manner. <p>In addition, spare contingency can be utilised to review risk issues identified in-year by the Council.</p> <p><i>This section is in accordance with requirements of the PSIAS.</i></p>	Assurance
TOTAL			270 days			

**this phasing is indicative at this stage; this will be revisited in year to align with client requirements where possible and our resource availability as we finalise all of our client plans.*

Appendix B – Three year strategic audit plan 2023-2026

Ref.	Audit	2023/24	2024/25	2025/26
Corporate				
1	Governance Arrangements	10	10	10
2	Risk Management	8	8	8
3	Anti-Fraud & Corruption	-	-	10
4	National Fraud Initiative	8	8	8
5	Partnerships	-	10	-
Finance				
6	Financial Management & Reporting	10	10	10
7	Financial systems (Creditors / Debtors / Treasury Management)	15	15	15
8	Revenues (Council Tax & Business Rates)	15	10	15
9	Benefits/Council Tax Support	10	5	10
Customer Services & Transformation				
10	Human Resources (Staff Development in 2023/24)	10	10	10
11	Payroll & Expenses	10	7	10
12	Procurement	15	-	-
13	IT Audit	12	12	12
14	Capital Project & Programme Management	-	-	12

15	Performance Management	-	10	-
Law & Democracy				
16	Licensing	10	10	10
17	Democracy & Elections	-	10	-
18	Private Sector Housing – Enforcement	10	-	-
19	Complaints Management	7	-	-
20	Community Safety	-	10	-
21	Safeguarding	-	-	10
22	Leisure Services – Contract Management	10	-	-
23	Car Parks	-	-	10
24	Health & Safety	-	-	10
25	Food Safety	-	10	-
26	Business Continuity/Emergency Planning	-	10	-
27	Asset Disposals	10	10	-
28	Street Cleansing & Grounds Maintenance	-	-	10

Built Environment				
29	Housing Allocations (Choice Based Lettings)	10	-	-
30	Housing Rents	-	10	-
31	Housing Maintenance, Repairs & Voids	15	-	15
32	Homelessness	-	10	-
33	Development Control	-	-	10
34	Building Control	-	10	-
35	Disabled Facilities Grants	10	-	-
36	S106 Agreements	-	10	-
37	Grant Certifications	10	10	10
Refuse & Recycling				
38	Fleet Management	10	-	-
39	Waste Management	-	-	10
Management, Follow Up & Contingency				
40	Client Management	20	20	20
41	Recommendation Tracking & Follow up	15	15	15
42	Contingency	10	10	10

Appendix C – High Level Audit Universe

The Internal Audit Universe aims to give a more detailed indication of the range of activities that an internal audit plan may include. This list is not meant to be exhaustive and should not be used as a checklist; rather that the universe gives an idea of the issues that may be considered when the internal audit plan is being discussed.

Audit area	Coverage in three-year Strategic Plan
Corporate	
Annual Governance Statement	Cyclical - Governance Arrangements
Code of Conduct	Cyclical - Governance Arrangements
Gifts & Hospitality	Cyclical – Governance Arrangements
Governing Documents	Cyclical – Governance Arrangements
Committee Structure & Functions	Cyclical – Governance Arrangements
Risk Management	Annual
Anti-Fraud & Corruption	Year 3
National Fraud Initiative	Annual
Partnerships	Year 2
Finance	
Financial Management & Reporting	Annual
Financial Systems (Creditors/Debtors/Treasury Management)	Annual

Revenues (Council Tax & Business Rates)	Annual
Benefits/Council Tax Support	Annual
Customer Services & Transformation	
Payroll & Expenses	Annual
Staff Development	Cyclical – Human Resources
Bank & Agency Workers	Cyclical – Human Resources
Absence Management	Cyclical – Human Resources
Workforce Planning	Cyclical – Human Resources
Organisational Development	Cyclical – Human Resources
Equality, Diversity & Inclusion	Cyclical – Human Resources
Facilities Management	Not included
Fleet Management	Year 1
Waste Management	Year 3
Procurement	Year 1
Digital Strategy	Cyclical – IT Audit
Cyber Security	Cyclical – IT Audit
IT Disaster Recovery	Cyclical – IT Audit

IT Service Desk	Cyclical – IT Audit
IT Asset Management	Cyclical – IT Audit
IT Security – System/Network/PC/Applications	Cyclical – IT Audit
IT System Implementation	Cyclical – IT Audit
Mobile Device Management	Cyclical – IT Audit
Capital Project & Programme Management	Year 3
Performance Management	Year 2
Law & Democracy	
Taxi Licensing	Cyclical – Licensing
Selective Licensing	Cyclical – Licensing
Premises Licensing	Cyclical – Licensing
Other Licensing (e.g. Animal Welfare, Hairdressing, Tattooing)	Cyclical – Licensing
Food Safety	Year2
Private Sector Housing – Enforcement	Year 1
Democracy & Elections	Year 2
Complaints Management	Year 1
Community Safety	Year 2

Safeguarding	Year 3
Leisure Services – Contract Management	Year 1
Car Parks	Year 3
Health & Safety	Year 3
Business Continuity / Emergency Planning	Year 2
Asset Disposals	Years 1 & 2
GDPR	Cyclical – using IT audit allocation
Street Cleansing & Grounds Maintenance	Year 3
Cemeteries	Not included
Local Land Charges	Not included
Built Environment	
Housing Allocations (Choice Based Lettings)	Year 1
Housing Rents	Year 2
Housing Maintenance (Repairs & Voids)	Year 1 & 3
Homelessness	Year 2
Development Control	Year 3
Building Control	Year 2

Disabled Facilities Grants	Year 1
S106 Agreements	Year 2
Grant Certifications	Annually
Commercial Property Management	Not included
Planning Policy	Not included
++Waste & Recycling	
Fleet Management	Year 1
Waste Management	Year 3

Appendix D – 360 Assurance Charter 2023/24

This Charter sets out the purpose and authority of, and responsibility for, internal audit, consistent with the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, the Code of Ethics, and the Public Sector Internal Audit Standards (April 2017). This Charter should be read in conjunction with our Service Level Agreement/Contract.

Definitions

Internal auditing

Internal audit is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the organisation. It helps the organisation accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's risk management, control, and governance processes.

Standards

The Standards are principles-focused, mandatory requirements applicable to the planning, management and delivery of our internal audit services to each client. 360 Assurance has specific quality processes to ensure compliance with all detailed requirements set out in the standards and any additional local quality requirements agreed with the client.

Senior Management

The most senior staff of the organisation reporting to the accountable officer.

Chief Audit Executive/Head of Internal Audit

This is the Director of 360 Assurance.

Purpose and mission

The purpose of internal audit is to provide independent, objective assurance and consulting services designed to add value and improve the organisation's operations. The mission statement for internal audit per the PSIAS is "to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight".

Standards of professional practice

360 Assurance's provision of internal audit to each client will follow the principles set out in the Code of Ethics contained in the Public Sector Internal Audit Standards 2017 (PSIAS). Our staff are required to follow the rules of conduct laid down in the Code of Ethics as well as related 360 Assurance guidance and professional requirements of any professional body to which the auditor belongs. 360 Assurance applies ongoing processes to prevent and detect breaches of the Code of Ethics; any identified breaches will be referred by the Director of 360 Assurance to the Audit Committee.

The Standards are principles-focused, mandatory requirements applicable to the planning, management and delivery of our internal audit services to each client. 360 Assurance has specific quality processes to ensure compliance with all detailed requirements set out in the standards and any additional local quality requirements agreed with the client, ensuring the principles of integrity, objectivity, confidentiality and competency are applied and upheld.

Authority

The director of 360 Assurance is ultimately responsible for the delivery of the client's audit plan in line with the service level agreement. To achieve this they are assisted by a designated client lead. The director of 360 Assurance and client lead will be suitably qualified and experienced. Any change of client lead will be discussed with the Audit Committee/Director of Finance. Other internal audit staff will be suitably qualified and/or experienced, in line with agreement regarding skill mix through the service level agreement/contracting process.

360 Assurance will have unrestricted access to communicate and interact with the accountable officer and Chair of the Audit Committee, including in private meetings without management present.

360 Assurance will work with the whole of the executive team who will support us in delivering the Internal Audit Plan and work from the Plan will be reported directly to the Audit Committee.

Authority is granted by the client for full, free and unrestricted access by 360 Assurance to any and all of its records, physical properties and personnel relevant to any function under review, for example care records and staff information. All client employees will assist internal audit in fulfilling its function. 360 Assurance will not be responsible or liable if information material to our task is withheld and concealed from us or wrongly represented to us.

The Council has agreed the objectives for the Internal Audit function. These are expressed through the Constitution and Audit Committee Terms of Reference.

The Council's Constitution states the following in relation to Internal Audit:

13.1 The Accounts and Audit Regulations require every local authority to maintain an adequate and effective internal audit function.

13.2 The Chief Finance Officer shall maintain an adequate and effective system of internal audit for all accounting, financial and other operations of the Council and in particular shall arrange for the examination, review and appraisal of:

13.2.1 The adequacy and effectiveness of the systems of financial, operational and management control, and their operation in practice in relation to the business risks to be addressed;

13.2.2 The extent of compliance with, relevance of, and financial effect of, policies, standards, plans and procedures established by Members and the extent of compliance with external laws and regulations, including reporting requirements of regulatory bodies;

13.2.3 The extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause and that adequate business continuity plans exist;

13.2.4 The suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;

13.2.5 The integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that the process aligns with the Council's strategic goals;

13.2.6 The follow-up action taken to remedy weaknesses identified by Internal Audit, ensuring that good practice is identified and communicated widely;

13.2.7 The operation of the Council's corporate governance and risk management arrangements.

13.3 The appointed Internal Auditor, in consultation with the Head of Finance, Revenues and Benefits and Chief Finance Officer shall prepare annual audit plans detailing the areas of audit coverage for the following year. These plans shall be presented to the Policy, Finance and Development Committee.

13.4 The appointed Internal Auditor has the authority to:

13.4.1 Enter at any time Council premises or land subject to any statutory or contractual restrictions that may apply;

13.4.2 Access all records, documents and correspondence relating to any financial or other business of the Council and remove any such records as is necessary for the purpose of their work;

13.4.3 Receive any information and explanations considered necessary concerning any matter under examination;

13.4.4 Require any employee, agent or contractor of the Council to produce cash, stores or any other Council property under his or her control;

13.4.5 Directly access the Chief Executive, Strategic Director-(Section 151), Strategic Director, Policy, Finance and Development Committee and Audit Committees.

(Section 8 of Constitution - Financial Procedure Rules, August 2022)

The Audit Committee Terms of Reference state the following in relation to the Committee's role in respect of Internal Audit:

12 To approve the internal audit charter.

13 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

14 To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

15 To approve significant interim changes to the risk-based internal audit plan and resource requirements.

16 To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.

17 To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:

a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.

b) Regular reports on the results of the Quality Assurance and Improvement Programme.

c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.

18 To consider the head of internal audit's annual report:

- a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit.
- b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the Annual Governance Statement.

19 To consider summaries of specific internal audit reports as requested.

20 To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

21 To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.

22 To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations

23 To support the development of effective communication with the head of internal audit.

(Audit Committee Terms of Reference, July 2019)

The size of the internal audit programme will be based on the organisation's risk appetite. The Internal Audit Plan and its content are owned by the Audit Committee.

Independence and Objectivity

360 Assurance will seek to ensure the independence and objectivity of our personnel engaged in the provision of the services. You will be made aware of any relationships that, in our professional judgement, may reasonably be thought to impinge on our independence and the objectivity of the personnel involved in the provision of the services. This is essential in order to reach impartial and unbiased judgements in the reporting of the services.

The head of internal audit will disclose to the Audit Committee any interference and related implications in determining the scope in internal

auditing, performing works and/or communicating results.

Scope of internal audit activity

The scope of internal audit encompasses the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management processes, systems of internal control and the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives. PSIAS recommend it includes:

- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information
- reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the organisation is in compliance
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets
- reviewing and appraising the economy and efficiency with which resources are employed
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned
- reviewing specific operations at the request of the Audit Committee or management, as appropriate
- monitoring and evaluating the effectiveness of the organisation's risk management system.

Documents and information given to internal audit during a review will be handled in the same prudent and confidential manner as by those employees normally accountable for them.

Responsibility

Annually, the client lead will submit to senior management and the Audit Committee a Plan for the forthcoming year. The annual planning process will identify strategic risk-based and key internal control systems reviews for consideration and will be aligned to the objectives and priorities of the organisation, any reviews not prioritised will be identified. Any significant deviation from the formally approved Plan will be

communicated to senior management and the Audit Committee for approval.

360 Assurance will work with the whole of the executive team who will support us in delivering the Plan, and will report on work from the Plan directly to the Audit Committee.

On an operational basis the client lead will report to the client's lead contact, normally the s151 Officer.

Audit work is carried out for the client only unless it is agreed during the planning stage that the audit will involve third parties.

360 Assurance will ensure all Plan engagements are completed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources and the documentation of work programmes and testing results. Following the conclusion of each audit we will confirm our findings in writing which will be issued by the client lead. Management have an opportunity to formally respond to each report and detail the corrective action taken, or to be taken, in regard to the specific findings and recommendations raised; responses should include allocated responsibility and timeframes for anticipated completion of each action and an explanation for any recommendations not addressed.

The client will be responsible for notifying 360 Assurance of any reasons for delays in planned work with sufficient notice and also ensuring that information requested is provided in a timely manner. Other than in exceptional circumstances, clients should provide requested information, evidence and responses to audit enquiries within 5 working days.

Follow up arrangements are in place to ensure that management implement corrective actions within specified timeframes. 360 Assurance shall be responsible for providing assurance over the appropriateness of management's monitoring of actions to address recommendations.

Individual assurance assignments provide audit opinions based upon a sound methodology and using accepted best practice. Where, in the opinion of 360 Assurance, an issue arises which requires the urgent attention of the client, the matter will be reported to the s151 Officer without delay.

Our risk matrix, audit review and overall Head of Internal Audit opinions are available to view in full on [our website](#).

Consulting services

Internal audit services to the organisation may consist of Assurance services and/or Consulting services. Assurance services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, an operation, a function, a process, system, or other subject matter. The results of Assurance reviews will be regularly reported to the Audit Committee. Consulting services

are advisory in nature and are generally performed at the specific request of the client. 360 Assurance will seek approval from the Audit Committee *prior* to the commencement of any significant Consulting services. Work is considered significant if it exceeds 20% of the annual audit fee.

Any Consulting services will, in line with the Public Sector Internal Audit Standards, be limited to reviews that aim to improve governance, risk management and control. When performing Consulting services, the internal auditor will maintain objectivity and will not take on management responsibility. We will apply appropriate management arrangements to ensure that any conflict is avoided if we were to undertake any non-internal audit activities and these will be dealt with in an open and transparent manner.

External Audit liaison

360 Assurance will liaise with the client's current external auditors and will provide information, explanations and working papers that support our reports to assist them in their evaluation of the work carried out. This liaison with the external auditors enables the client to maximise the value of the total audit effort. This close liaison will provide the client's external auditors the opportunity to:

- comment on the overall Annual Internal Audit Plan
- comment on the scheduling of reviews
- examine audit working papers/files and associated draft and final reports for individual reviews.

Any external auditor or other reviewer of work undertaken as part of the services will need to draw their own conclusions from the work as it will have been undertaken and concluded on by 360 Assurance for its own purposes.

Performance of Internal Audit service

Performance of the service provided will be assessed in line with the agreed key performance indicators, which are included within the service level agreement/contract.

360 Assurance undertakes a programme of quality monitoring to ensure that audits are delivered in line with the Audit Manual, which reflects extant professional requirements.

360 Assurance will engage in an independent review in line with the Public Sector Internal Audit Standards and notify the client of any quality assurance and improvement programme developed as a consequence.

Role of Internal Audit in fraud related work

360 Assurance will have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation. The potential for the occurrence of fraud and how the organisation manages fraud risk will be considered. There is a protocol in place with the client's Counter Fraud provider to review internal audit requirements where a fraud has arisen or to report any potential fraud issues to Counter Fraud where such issues arise.

Key 360 Assurance contacts	
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