



cw audit services

**East Staffordshire Borough
Council**

Internal Audit Plan 2016 - 2017

March 2016

Getting value from your service

1. Introduction

General background

This document sets out a proposed plan of Internal Audit coverage for the period April 2016 to March 2017. The plan of work has been driven by the requirements of the Public Sector Internal Audit Standards (PSIAS) released by HM Treasury in December 2012, which are applicable from 1st April 2013, the Accounts & Audit Regulations (2015) and guidance relating to the Annual Governance Statement, which the work of Internal Audit supports and informs. The proposed plan supports an opinion based on an assessment of the design and operation of the internal control environment and the adequacy and effectiveness of control noted from our risk based audits carried out during the year. It follows therefore that the focus of the audit plan is critical to ensuring the right level of assurance to the Council.

The aim of the plan is to:

- **Deliver a risk focused audit programme** - through a detailed risk assessment across the organisation and at component level
- **Be proactive and forward looking** - by looking at what risks the Council faces and trying to minimise these through our work.
- **Add value** – by providing practical, value-added recommendations, in areas of significant risk, by working where relevant with other functions (e.g. risk management and anti-fraud) and trying to save resources / enhance controls where possible.
- **Provide assurance to management and the Audit Committee** - as key stakeholders, we will work closely with management and the Committee with regard to your assurance needs.

Internal Audit Charter and Standards

The PSIAS requires us to explicitly detail the purpose, authority and responsibility of our internal audit activity in a formally documented Internal Audit Charter, which is included as Appendix 2 to this document. **The PSIAS require the Charter to be approved by the Audit Committee, and accordingly this approval is sought alongside agreement of the proposed Internal Audit plan.**

In conducting our work as your Internal Auditors we are required to adhere to a set of standards as outlined in the PSIAS. We consider that compliance with these standards is a key element of our Internal Audit service in accordance with our contract with you, and maintain quality procedures to ensure compliance.

We believe that we have established suitable arrangements to enable us to comply with the standards. We will, however, report any instances of non-compliance should they arise, as soon as we become aware of them.

2. Developing the plan

Our plan of work is designed to support the annual Head of Internal Audit Opinion. The required basis for forming this opinion is as follows:

- An assessment of the design and operation of the overall internal control environment, governance and risk management arrangements; and
- An assessment of the adequacy and effectiveness of controls, based upon the results of our risk based audit assignments that are reported during the course of year.

It follows that an effective risk based audit plan, focusing the resource into areas of principal risk is essential.

Risk Assessment

The plan has been prepared in consultation with the Section 151 Officer and the Corporate Management Team generally. It has been informed by:

- A review of the risks contained within the Council's Risk Register and Annual Governance Statement.
- Discussions with Heads of Service to identify key auditable areas based on an assessment of current and future issues and risks.
- Our understanding of the challenges to the Council to deliver its objectives within the current economic environment and changes in local government legislation.

On the basis of this process we have identified a number of priority areas (see section 3) and the resulting Internal Audit Plan is detailed at Appendix One. We will, however, continue to review the audit plan on an ongoing basis in response to developments and initiatives. If additional risks arise or change in priority during the year the audit plan will be reconsidered with management and, subject to Audit Committee approval, amended to ensure that audit resources remain focused on the key risk areas.

3. Linking our plan to your strategic risks

The following table sets out the proposed areas of work linked through to your business objectives/risk and showing the supporting rationale for that work and a summary outline of the work to be undertaken.

Area	Rationale - Links to Objectives/Risks	Work outline
CORPORATE ISSUES		
MTFS/Budgetary Control	Financial strategy and management is key in managing through ongoing funding reductions. Various financial risks are reflected in the risk register, and the prudence, robustness and flexibility of the MTFS is vital in enabling the Council to respond to funding and other economic risks and pressures.	To consider the adequacy and robustness of managerial control processes regarding the medium term financial strategy, budget setting and management.
National Fraud Initiative	Mandatory national data matching exercise.	To provide key contact, project management and overview support to ensure progression of NFI process to meet Cabinet Office requirements.
Anti-fraud – Support, proactive work and review	The Council is at risk of fraud in a range of areas; national guidance in 2012 set out expectations on the Council with regard to addressing these risks. Risk of fraud/embezzlement is recognised in the Councils' risk register.	To provide support with regard to anti-fraud reviews and arrangements to address fraud risks, further to an action plan agreed with management. Specialist trained counter-fraud advice and support – key policy review, anti-fraud culture awareness.
Cash & Bank	Key financial system (complete and timely collection and full banking of income due), requiring regular assurance. Request by Chief Accountant to provide specific testing on certain key income areas not recently covered.	Review of key controls, focussed testing on agreed income areas (planning, land charges, cemeteries, horticultural, land charges) and to highlight potential areas for improvement.
CHIEF EXECUTIVE		
Creditors & payroll – key controls	Key financial systems – essential that pay and ordering/invoice processing are effectively controlled.	Review of key controls over both systems.
Human Resources /Workforce Planning	In a continuing environment of change and financial pressures, the importance of sound and intelligent workforce planning is heightened, to ensure that the Council's workforce remains fit for purpose into the future and that skills/knowledge/experience gaps are avoided.	Review of arrangements for workforce planning and implementation.
HEAD OF SERVICE – SAL KHAN (SECTION 151 OFFICER)		
Benefits	Key financial system of great importance to local population, requiring regular assurance.	Review of fundamental financial and public-facing system.
Council Tax	Key financial system requiring regular assurance. Increased risk of non-collection given localisation of Council Tax and impact on certain types of benefit/claimants.	Review of fundamental financial and public-facing system, includes specific focus on council tax discounts and exemptions.
Business Rates	Key financial system requiring regular assurance. Increased risks and opportunities arising from business rates retention changes.	Review of fundamental financial and public-facing system, includes specific focus on discretionary rate relief.
Debtors & Debt Recovery	Key financial system requiring regular assurance. Continuing potential impact on income in discretionary areas in current economic climate.	Review of key controls, and to highlight potential areas for improvement.
Main Accounting	Key financial system requiring regular assurance. The main accounting system provides the basis for the Council's financial management and reporting.	Review of key controls, and to highlight potential areas for improvement.

Area	Rationale - Links to Objectives/Risks	Work outline
Treasury Management	Key financial system. Managing the Council's borrowing and investments through likely continuing turbulence in financial markets is a key area management needs to consider and address in ensuring the financial health of the Council.	Review of key controls, and to highlight potential areas for improvement.
HEAD OF SERVICE – MARK RIZK		
Safeguarding – Section 11 review	The Council has a duty eg under Section 11 of the 2004 Children Act to safeguard from harm all children and young people under the age of 18 and vulnerable adults.	Support on Section 11 audit and assurance on key controls to meet the Council's duties with regards to safeguarding.
WASPS	This scheme provides opportunity for Council support to be directed to address local schemes/projects etc; the scheme was reviewed in 2015/16 by Internal Audit and process improvements agreed. A Scrutiny review also took place in 2015/16. It was agreed with the Head of Service and Audit Committee that a follow-up audit review in 2016/17 would be required to provide assurance on revised process.	Assurance on revised arrangements for awarding and overseeing funding.
Neighbourhood Development funding	This scheme provides opportunity for Council support to be directed to address local schemes/projects etc; the scheme was reviewed in 2015/16 by Internal Audit and process improvements agreed. The funding approach and arrangements are being considered in 2016 in consultation with the Deputy Leader. It was agreed with the Head of Service and Audit Committee that a follow-up audit review in 2016/17 would be required to provide assurance on revised process.	Assurance on revised arrangements for awarding and overseeing funding.
Shobnall Leisure Centre key systems and processes	The Council's leisure facilities are important in supporting health and lifestyle objectives; financial and health/safety aspects of the facilities are also of significant importance. The Centre has not been subject to a full internal audit review in recent years	Review of key controls eg income, bookings, health and safety.
Meadowside Leisure Centre key systems and processes	The Council's leisure facilities are important in supporting health and lifestyle objectives; financial and health/safety aspects of the facilities are also of significant importance. The Centre has not been subject to an internal audit review in recent years.	Review of key controls eg income, bookings, health and safety.
The Brewhouse	The Centre provides an important arts and entertainment venue and the business has been refocused following review with the Derby Quad; the venue's management and administration was reviewed in 2015/16 by Internal Audit and process improvements agreed. It was agreed with the Head of Service and Audit Committee that a follow-up audit review in 2016/17 would be required to provide assurance on revised process.	Review of key controls eg income, bookings, health and safety.
Markets	The Market Hall has been refurbished and re-opened in 2015; the facility is an important part of the Burton town centre economic and social fabric.	Assurance on financial controls eg agreements with traders, income collection etc.
HEAD OF SERVICE – PAUL COSTIFF		
Estates Management	The Council's commercial estate is an important revenue generator and also a capital asset which requires management; effective administration of the legal dealings with the tenant businesses is important in both contexts. The Council	Review of process and controls in the stated areas, to provide assurance on the management of the Council's commercial estate.

Area	Rationale - Links to Objectives/Risks	Work outline
	must also comply with its duties as a landlord with regard to property repair and maintenance. Review sought by Head of Service.	
Asset Register	The control (review, maintenance and updating) of the asset register is important in ensuring the accuracy and completeness of the asset values in the Council's financial accounts and, the effectiveness of the Council's asset management/capital strategies.	Review of the processes to manage the asset register and linkage to related strategies.
Environmental Health and Enforcement – VFM/change management	The Environmental Health and Enforcement service area has been restructured and new working practices introduced. It is important that these become embedded and sound performance management arrangements introduced to ensure the desired outcomes of these changes are achieved. Review sought by Head of Service.	To assure on embedding of changed service basis and to support/advise on amended performance management arrangements.
Licensing service and income	The Licensing service levies a range of fees and charges which represent a significant income to the Council. Review sought by Head of Service.	To assure on the effectiveness of income collection arrangements and the process for benchmarking charges and setting fee levels.
Vehicle fleet - procurement assurance and contract management	The procurement of the vehicle fleet for the 'Depot' services was a significant project for the service. Sound, efficient and effective management of the vehicle fleet is an important driver in the delivery of key services eg refuse collection, street cleaning. Review sought by Head of Service.	Post-project review to assure on the effectiveness of project management and also of management of the vehicle fleet.
Millers Lane – Health & Safety	Services run from the Millers Lane site represent some of the highest risk services in terms of health and safety. The sound management of health and safety processes at this site and their dealings with corporate health and safety arrangements are thus important in ensuring compliance with the law and ensuring the risk of injury, accidents etc is minimised.	Targeted review to assure on the management of health and safety at the site.
Enforcement income-Car Parking, penalty charge and other income	These areas represent a significant income generator for the Council as well as supporting objectives for the town centres in particular and the wider Borough.	Review to assure on the effectiveness and completeness of income collection in these service areas.

4. Reporting and relationships

4.1 Reporting Lines

The Internal Audit Charter attached at Appendix 2 outlines the reporting lines and relationships for this engagement, essentially setting out the accountability of the Head of Internal Audit to the Chief Executive, but noting that operationally in practice this accountability is delegated to the Section 151 Officer. The Chief Internal Auditor also has direct right of access to the Audit Committee and the Chairman where required. This is also embodied in the Council's Financial Regulations.

Audit Reporting

Periodic and Assignment Reporting

Final reports relating to individual audit assignments will be reported to the relevant operational manager and Head of Service prior to submission to the Audit Committee (where relevant), which will also receive a progress update at each meeting detailing progress against the plan, a summary of assignment opinions issued to date and an update in relation to the implementation of audit recommendations.

Annual Head of Internal Audit Opinion

In line with the PSIAS and expected professional practice, we will issue a formal audit opinion taking account of:

- An assessment of the design and operation of the overall internal control environment, governance and risk management arrangements; and
- An assessment of the adequacy and effectiveness of controls, based upon the results of our risk based audit assignments that are reported during the course of year.

This opinion will be formally recorded in the Internal Audit Year End Report and presented to the Audit Committee. In addition to this formal opinion we will also bring to the attention of the Chief Executive, Section 151 Officer and the Audit Committee any Significant Internal Control Issues that we feel should be declared in your Annual Governance Statement.

4.2 Third Party Audit Arrangements

As your Internal Auditors we are required to agree with you the arrangements for forming an appropriate opinion where either you operate key systems on behalf of other organisations, or key systems are being operated by other organisations on your behalf. We recognise that the Council operates

within a number of different partnership arrangements and procures and contracts various services, however we are not aware at this stage of any key systems operated by the Council on behalf of other organisations, or provided to the Council by other organisations.

If such arrangements do come into force, you must assure yourselves that the audit arrangements in place at the organisations that host these services are sufficient for your needs and for the appropriate level of reliance for your external auditors. We recommend that you review and where appropriate update the contracts/SLAs for these purchased services to explicitly detail your right to an annual audit opinion or reserve the right of your Internal Auditor to perform their own work as deemed necessary to derive an opinion. You should liaise with your external auditors to ensure that they are comfortable with the arrangements you agree. Our audit plan has been prepared on the basis that we will not be required to perform any detailed audit work on the transaction processes operated within any such service providers but that we would, on a risk basis, review the systems operated by the Council that feed into and flow from this purchased service.

4.3 Relationships with external bodies

External Audit

We will agree a protocol of joint working arrangements supported by a regular programme of update meetings with External Audit. We will use these meetings to report on progress against our plan and as an opportunity to discuss any significant issues arising from our work.

Other Review Bodies

Where we intend to place formal reliance on the work of any other review body e.g. external auditor, we will undertake an appropriate audit or quality assurance exercise to ascertain the level of assurance that we can derive from that work.

Counter Fraud

You are required to carry out counter fraud activities, to ensure sound stewardship of public funds. We will liaise as necessary with your counter fraud officers, sharing relevant audit findings and identifying joint programmes of work where appropriate.

4.4 Additional Services/Ad-hoc Work

The PSIAS requires us to define the potential role that we may have in providing ad hoc consultancy work. In providing such a service we would seek to apply the professional skills of Internal Audit through a systematic and disciplined evaluation of the policies, procedures and operations that you

have put in place to ensure the achievement of your objectives. We believe that our status as Internal Auditors ensures that we can deliver such work in an independent and objective manner.

5. Delivery and Fees

5.1 The Core Audit Team

The Audit Plan will be delivered by the following team:

Team Role	Team Member	Qual	Role
Contract Lead	Paul Dudfield	CCAB	Paul will monitor overall performance and quality of the service
Chief Internal Auditor	Tim Ridout	CCAB	Tim will oversee delivery of the audit plan, manage and deliver elements of the plan, and ensure quality assurance
Audit Manager	Anand Persaud	CCAB	Anand will manage and deliver the core plan.

5.2 Profiling Delivery

We will agree a programme of delivery for the audit plan with the Section 151 Officer. We will report on delivery against this profile through our regular progress reports to each Audit Committee.

6. Recommendation

It is recommended that the Audit Committee considers and approves the Internal Audit Plan 2016/17 and Internal Audit Charter.

Tim Ridout
Chief Internal Auditor

Operational Internal Audit Plan – 2016/2017

Area	Audit Assignment	2016/17
Corporate reviews and support	MTFS assurance/Budgetary Control	12
	National Fraud Initiative	8
	Anti-fraud – Support, proactive work and review	6
	Cash & Bank-extended testing/scope	15
Chief Executive	Creditors & payroll – key controls	15
	Human Resources/Workforce Planning	8
Head of Service – Sal Khan	Benefits	15
	Council Tax	15
	Business Rates	15
	Debtors & Debt Recovery	10
	Main Accounting	10
	Treasury Management	6
Head of Service – Mark Rizk	Safeguarding – section 11 review	12
	WASPS	8
	Neighbourhood Development funding	8
	Shobnall Leisure Centre - key systems and processes	10
	Meadowside Leisure Centre - key systems and processes	12
	Brewhouse	8
	Markets	8
Head of Service – Paul Costiff	Estates Management	10
	Asset Register	6
	Environmental Health and Enforcement – VFM/change management	12
	Licensing service and income	10

Area	Audit Assignment	2016/17
	Vehicle fleet - procurement assurance and contract management	16
	Millers Lane – Health & Safety	8
	Enforcement income-Car Parking, penalty charge and other income	12
General	Contingency – for additional reviews as required	12
Audit Management	Recommendation Tracking	6
	Planning & Annual Report	4
	Audit Committee/External Audit	5
	Contract Management	18
Total		320

INTERNAL AUDIT CHARTER

1. DEFINITION

Internal Audit is an independent and objective appraisal service within the organisation:

- Internal Audit primarily provides an independent and objective opinion to the Accountable Officer (Chief Executive), the Board and the Audit Committee on the degree to which risk management, internal control and governance arrangements support the achievement of the organisation's agreed objectives. In addition, Internal Audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, internal control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the organisation.
- Internal Audit also provides an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements. The service applies the professional skills of Internal Audit through a systematic and disciplined evaluation of the policies, procedures and operations that management have put in place to ensure the achievement of the organisation's objectives, and through recommendations for improvement. Such consultancy work contributes to the opinion, which Internal Audit provides on risk management, control and governance. Approval for any significant additional consulting services not already included in the audit plan will be sought from the Audit Committee prior to accepting the engagement.

2. STANDARDS AND ETHICS

Internal Audit acknowledges the mandatory nature of the Definition of Internal Audit, the Code of Ethics and the Standards contained in the Public Sector Internal Audit Standards. Internal Audit shall also work in accordance with any performance measures agreed with the Audit Committee.

3. INDEPENDENCE, OBJECTIVITY AND CONFLICTS OF INTEREST

All internal audit activities shall remain free of influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports. Internal Auditors shall have no executive or direct operational responsibility or authority over any of the activities they review.

Individual auditors will have an impartial, unbiased attitude, characterised by integrity and an objective approach to work, and should avoid conflicts of interest. Individual auditors must declare any conflict of interest to the Head of Internal Audit. Any conflicts of interest encountered by the Head of

Internal Audit must be declared to the Director of Finance. Internal Auditors will have regard to the Committee on Standards of Public Life's Seven Principles of Public Life.

4. AUTHORITY and ACCOUNTABILITY

Internal Audit derives its authority from the Board, the Accountable Officer and Audit Committee. The Head of Internal Audit reports on a functional basis to the Board via the Audit Committee. For administrative purposes, the Head of Internal Audit reports to the Director of Finance. The Head of Internal Audit has a direct right of access to the Chair of the Audit Committee and the Chair of the organisation if deemed necessary. The Audit Committee shall have regular private meetings with the Head of Internal Audit. The Audit Committee approves all Internal Audit plans and may review any aspect of its work.

5. INTERNAL AUDIT TEAM

The Head of Internal Audit is responsible for ensuring the team is adequately staffed and that there is access to the full range of knowledge, skills, qualifications and experience to deliver the Internal Audit Plan in line with the PSIAS. The team will undertake regular assessments of professional competence through an on-going appraisal and development programme (i.e. Personal Development Plans and Continuing Professional Development) with training provided where necessary. Auditors also have responsibilities for applying due professional care when performing their duties. The Head of Internal Audit must hold a professional qualification.

If the Head of Internal Audit, Chief Executive, Director of Finance or the Audit Committee consider that the level of Internal Audit resources or the terms of reference in any way limit the scope of Internal Audit, or prejudice the ability of Internal Audit to deliver a service consistent with the definition of internal auditing, they should advise the Board accordingly.

6. SCOPE

The Head of Internal Audit is responsible for developing and maintaining an Internal Audit Strategy for providing the Chief Executive, economically and efficiently, with objective evaluation of, and opinions on, the effectiveness of the organisation's risk management, control and governance arrangements. The Head of Internal Audit's opinion is a key element of the framework of assurance the Chief Executive needs to inform the completion of the Annual Governance Statement. This strategy will be realised through the delivery of considered and approved annual plans. These will systematically review and evaluate risk management, control and governance which comprises the policies, procedures and operations in place to:

- Establish, and monitor the achievement of, the organisations objectives.
- Identify, assess and manage the risks to achieving the organisations objectives.

- Ensure the economical, effective and efficient use of resources.
- Ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations.
- Safeguard the organisation's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.
- Ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

Internal Audit's planning will embrace risk management, control and governance processes of the organisation including all its operations, resources, services and responsibilities for other bodies.

7. APPROACH

To ensure delivery of its objectives, Internal Audit will develop and implement an Audit Strategy. This will be prepared each year and will describe arrangements for the delivery of the internal audit service based upon knowledge of the organisation's objectives, risk assessment, and appropriate management consultation.

The allocation of resources between assurance and consultative work will be set out. A detailed Annual Operational Plan will be prepared designed to implement the audit strategy. The audit strategy and annual plans shall be prepared to support the audit opinion to the Accountable Officer on the risk management, internal control and governance arrangements within the organisation. Both the strategy and annual plans will be approved by the Audit Committee and reported to the Board.

8. REPORTING

Internal Audit will report formally to the Audit Committee through the following:

An annual report will be presented to confirm completion of the audit plan and will include the Head of Internal Audit opinion provided for the Accountable Officer that will support the Annual Governance Statement. The Head of Internal Audit opinion will:

- a) State the overall adequacy and effectiveness of the Trust's risk management, control and governance processes;
- b) Disclose any qualification to that opinion, together with the reasons for the qualification;
- c) Present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies;
- d) Draw attention to any issues internal audit judge as being particularly relevant to the preparation of the Annual Governance Statement;
- e) Compare work actually undertaken with the work which was planned and summarise performance of the internal audit function against its performance measures criteria; and
- f) Comment where necessary on compliance with the Public Sector Internal Audit Standards and internal quality assurance arrangements.

For each Audit Committee meeting a progress report will be presented to summarise progress against the plan. The findings arising from individual audit reviews will be reported in accordance with Audit Committee requirements. The Audit Committee members will be provided with copies of individual audit reports for each assignment undertaken unless the Head of Internal Audit is advised otherwise. The reports will include an action plan with target dates for completion.

Following the closure of fieldwork, Internal Audit will discuss findings with operational/local managers. Operational/Local management will receive draft reports which will include the action plans they have agreed following the discussion of findings. A copy of the draft report will also be provided to the relevant Executive Director. The draft report will give an “assurance” opinion on the area reviewed. The draft report will also indicate action ratings for individual report findings and recommendations.

Operational management will be required to respond to the draft report, stating their agreement or otherwise to the content of the report, identifying action, staff with responsibility for implementation and the dates by which action will be taken. Final reports inclusive of management comments will be issued by Internal Audit to the relevant Executive Director within 5 working days of management responses being received. The final report will be placed on the agenda for the next available Audit Committee.

Internal Audit will make provision to review the implementation of agreed action within the agreed timescales. However, where there are issues of particular concern provision may be made for follow up review within the same financial year. Issue and clearance of follow up reports shall be as for other assignments referred to above.

9. IRREGULARITIES, FRAUD AND CORRUPTION

It is the responsibility of management to maintain systems that ensure organisation’s resources are utilised in the manner and on activities intended. This includes the responsibility for the prevention and detection of fraud and other illegal acts.

Internal Audit shall not be relied upon to detect fraud or other irregularities. However, Internal Audit will give due regard to the possibility of fraud and other irregularities in work undertaken. Additionally, Internal Audit shall seek to identify weaknesses in control that could permit fraud or irregularity.

If Internal Audit discovers suspicion or evidence of fraud or irregularity, this will immediately be reported to the organisation’s Counter Fraud Specialist (or other relevant nominated officer) in accordance with the organisation’s Counter Fraud Policy & Fraud Response Plan.

10. RELATIONSHIPS

In order to maximise its contribution to the Board's overall framework of assurance, Internal Audit will work closely with the organisation's Director of Finance in planning its work programme. Co-operative relationships with line management enhance the ability of internal audit to achieve its objectives effectively. Audit work will be planned in conjunction with management as far as possible, particularly in respect of the timing of audit work.

Internal Audit will meet regularly with the external auditor to consult on audit plans, discuss matters of mutual interest, discuss common understanding of audit techniques, method and terminology, and to see opportunities for co-operation in the conduct of audit work. In particular, internal audit make available their working files to the external auditor for them to place reliance upon the work of Internal Audit where appropriate

The Head of Internal Audit will establish a means to gain an overview of other assurance providers' approaches and output as part of the establishment of an integrated assurance framework. In addition the Head of Internal Audit shall make provision to form an opinion where key systems are being operated by organisation's outside of the remit of the Accountable Officer, or through a shared or joint arrangement.

11. ACCESS

Internal Audit shall have the authority to access all the organisation's information, documents, records, assets, personnel and premises that it considers necessary to fulfil its role. This shall extend to the resources of the third parties that provide services on behalf of the organisation. All information obtained during the course of a review will be regarded as strictly confidential to the organisation and shall not be divulged to any third party without the prior permission of the Accountable Officer. However, open access shall be granted to the organisation's external auditors. In any instances of conflict this will be referred for resolution to the Director of Finance, Chief Executive or Chair of Audit Committee as appropriate.

12. QUALITY ASSURANCE

The work of internal audit is controlled at each level of operation to ensure that a continuously effective level of performance, compliant with the Public Sector Internal Audit Standards is being achieved. The Head of Internal Audit will establish a quality assurance programme designed to give assurance through internal and external review that the work of internal audit is compliant with the NHS Internal Audit Standards and to achieve its objectives. A commentary on compliance against the Standards will be provided in the annual audit report to Audit Committee.

13. APPROVAL, REVIEW AND INTERPRETATION OF THE CHARTER

This Internal Audit Charter shall be reviewed annually and approved by the Audit Committee*.

* The Public Sector Internal Audit Standards require the Charter to be approved by the Board, however, for the Public Sector the following definition of Board is provided: *Audit Committee – the governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.*

NOTE: the wording of the above Charter is as prescribed by PSIAS. In the context of this Council, the following meanings apply:

The Board / Audit Committee – see note above under paragraph 13

Head of Internal Audit – Chief Internal Auditor

Director of Finance – Section 151 Officer

Executive Director – Head of Service