



## East Staffordshire Borough Council

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Draft: 2023/24 Internal Audit Plan

In partnership with



**cw audit**

internal audit services

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## 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
<b>Corporate Reviews</b>				
1	Governance Arrangements	Q4	7	Assurance
2	Anti-Fraud & Corruption	Q2	10	Assurance
3	National Fraud Initiative	Q1 – Q4	8	Advisory
4	Performance Management	Q2	10	Assurance
5	Risk Management	Q3	7	Assurance
6	Financial Management & Reporting	Q4	10	Assurance
7	IT Audit	Q1	10	Assurance
<b>Chief Executive</b>				
8	Commercial Property Management	Q2	10	Assurance
9	Creditors Payments	Q3	5	Assurance
10	Human Resources	Q1	10	Assurance
11	Member Induction	Q3	10	Assurance
12	Payroll	Q3	5	Assurance
<b>Head of Service – Sal Khan</b>				
13	Benefits	Q4	15	Assurance
14	Housing Allocations	Q1	10	Assurance

15	Revenues	Q4	10	Assurance
16	Grant Certifications	Q4	8	Assurance
<b>Head of Service – Mark Rizk</b>				
17	Tourism & Cultural Development	Q3	10	Assurance
18	Brewhouse – Income Collection	Q3	10	Assurance
19	Licensing/Enforcement	Q2	10	Assurance
<b>Interim Head of Regeneration – Tom Deery</b>				
20	Disposals (Pennycroft Lane / Lynwood Avenue)	As required	5	Assurance
21	Stronger Towns Fund	Q3	10	Assurance
22	Shared Prosperity Fund	Q3	10	Assurance
23	Washlands Enhancement Project	Q2	10	Assurance
<b>Management, Recommendation Tracking &amp; Follow Up</b>				
24	Client Management (Including Planning & HOIA Opinion)	Q1 – Q4	15	Assurance
25	Recommendation Tracking & Follow Up.	Q1 – Q4	10	Assurance
<b>TOTAL</b>			<b>235 days</b>	

*\*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 Corporate Management Team, officers and Audit Committee

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

- Andy O'Brien – Chief Executive
- Sal Khan – Head of Service (s151 Officer)
- Mark Rizk – Head of Service
- Tom Deery – Interim Head of Regeneration
- Lisa Turner – Chief Accountant

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:
  - Stronger Towns Fund
  - Shared Prosperity Fund
  - Washlands Enhancement Project
- There are no shared or hosted services in place that would require third party assurances to be received or provided.

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

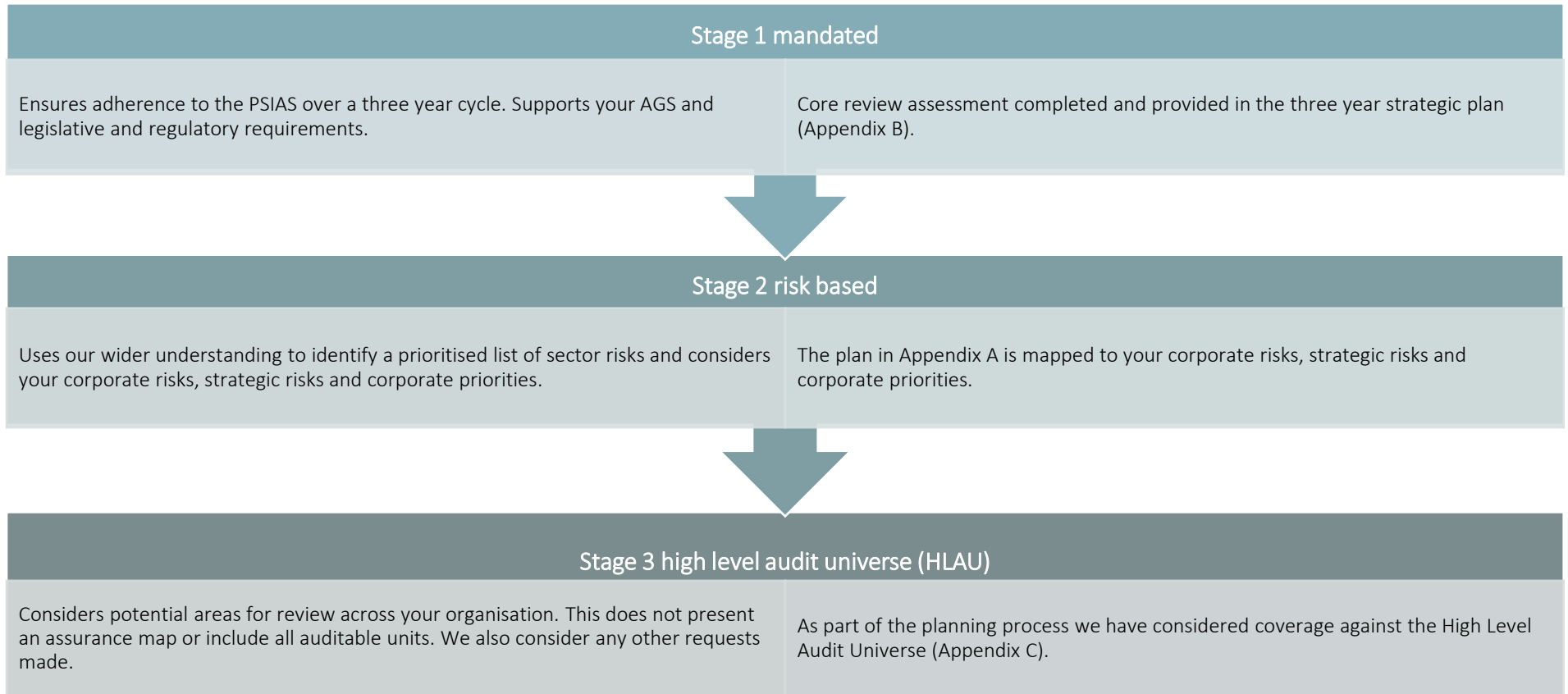
### Planning process

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.



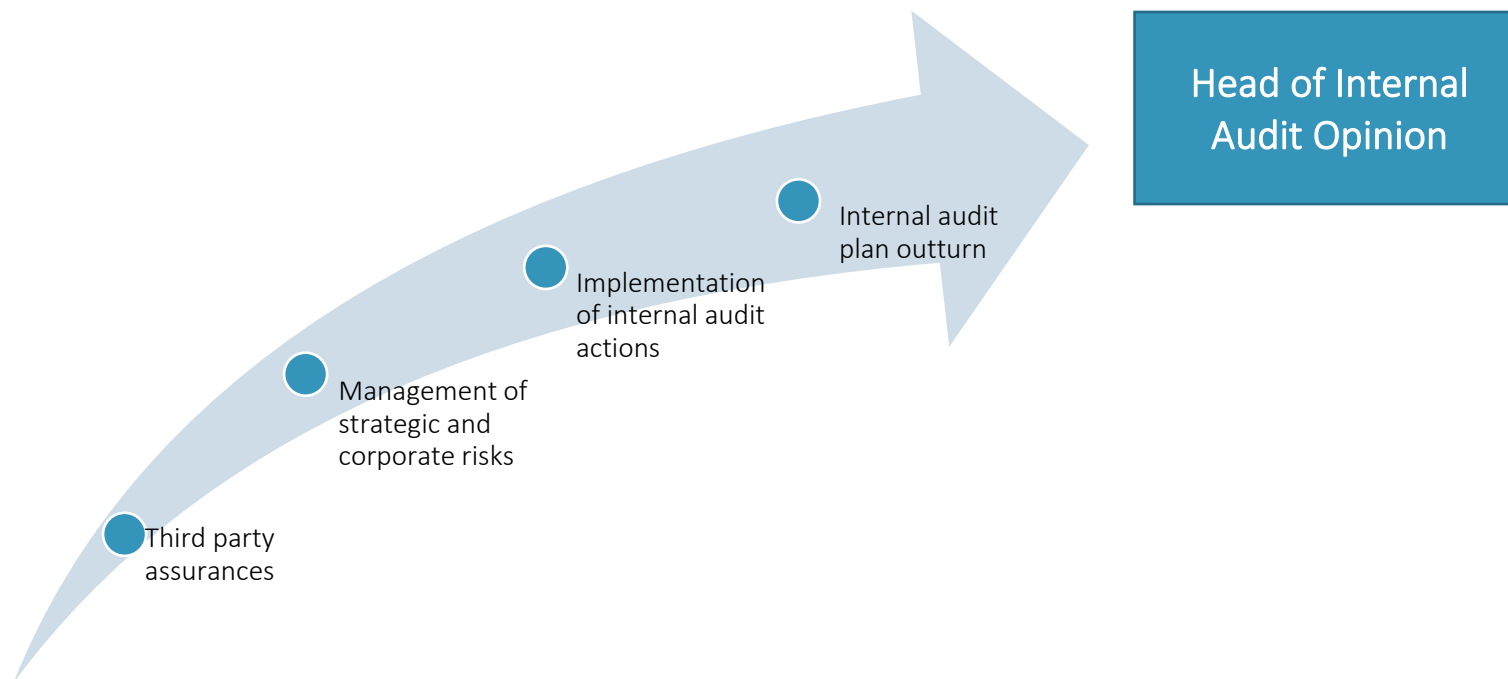
*The output of this risk assessment process informs the proposed annual plan. Appendix A summarises your proposed 2023/24 annual plan. The strategic internal audit plan is presented in Appendix B.*

## 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 March 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 235 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	Corporate / Strategic Risk & Corporate Priority	Days	Phasing*	Outline Scope	Assurance or Advisory
<b>Corporate reviews</b>						
1	Governance Arrangements	Corporate Plan Member Training/Awareness	7	Q4	Review of the Cabinet’s roles and responsibilities, including the recording, reporting and delivery of Executive Decisions.	Assurance
2	Anti-Fraud & Corruption	Litigation – General VFM Council	10	Q2	Focus on overall arrangements to prevent, detect and investigate suspected fraud and corruption.	Assurance
3	National Fraud Initiative	Litigation – General VFM Council	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
4	Performance Management	Corporate Plan Community Regeneration Environment and Health & Wellbeing	10	Q2	Review of the Council’s arrangements for managing corporate performance, with focus on delivery of Corporate Objectives.	Assurance
5	Risk Management	All corporate & strategic risks and corporate priorities	7	Q3	The HOIA Annual Opinion requires an assessment of the Council’s approach to managing risks.	Assurance

Ref.	Audit	Corporate / Strategic Risk & Corporate Priority	Days	Phasing*	Outline Scope	Assurance or Advisory
6	Financial Management & Reporting	MTFS: Budget Assumptions MTFS VFM Council	10	Q4	Adequacy and robustness of the MTFS and control processes regarding the MTFS, budget setting and reporting. Review of underlying controls to ensure accuracy of financial ledger upon which reporting is based.	Assurance
7	IT Audit	ICT Security	10	Q1	Review of the Council's arrangements for ensuring information and data security, including information and data that is not held electronically, or is in hard copy format.	Assurance
<b>Chief Executive</b>						
8	Commercial Property Management	Litigation – General MTFS	10	Q2	Review of progress made in implementing recommendations from 2022/23 IA report on Commercial Property Management.	Assurance
9	Creditor Payments	MTFS VFM Council	5	Q3	Review of key controls in place in respect of payments to suppliers.	Assurance
10	Human Resources	Litigation – General Corporate Plan	10	Q1	Review of staff recruitment processes and controls.	Assurance
11	Member Induction	Member Training/Awareness	10	Q3	Assurance that new members elected in May 2023 have received full induction programme.	Assurance
12	Payroll	MTFS VFM Council	5	Q3	To provide assurance that key controls to ensure that salaries and expenses are paid in an accurate, timely and complete manner and are operating effectively.	Assurance

Ref.	Audit	Corporate / Strategic Risk & Corporate Priority	Days	Phasing*	Outline Scope	Assurance or Advisory
<b>Head of Service – Sal Khan</b>						
13	Benefits	Welfare Reforms VFM Council	15	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
14	Housing Allocations	Litigation – General Community Regeneration Environment and Health & Wellbeing	10	Q1	To ensure that the Council’s responsibilities for the Housing Allocation Policy in East Staffordshire is being effectively delivered by Trent & Dove Housing.	Assurance
15	Revenues	Council Tax Reduction Scheme MTFS VFM Council	10	Q4	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
16	Grant Certifications	Central Government Funding VFM Council	8	Q4	To provide Chief Auditor certification of grants as required by central government.	Assurance
<b>Head of Service – Mark Rizk</b>						
17	Tourism & Cultural Development	Community Regeneration Environment and Health & Wellbeing	10	Q3	To review the Council’s involvement in the Destination Management Partnership to promote tourism across Staffordshire.	Assurance

Ref.	Audit	Corporate / Strategic Risk & Corporate Priority	Days	Phasing*	Outline Scope	Assurance or Advisory
18	Brewhouse - Income Collection	Growing The Borough Economically Providing Excellent Services	10	Q2	Following restructure (predominantly front of house team); review of compliance with processes in place to book and collect income from events and performances held at the Brewhouse and Town Hall.	Assurance
19	Licensing/Enforcement	Litigation – General Environment and Health & Wellbeing	10	Q2	Review of process in place to ensure there is a robust approach to environmental enforcement.	Assurance
<b>Interim Head of Regeneration – Tom Deery</b>						
20	Disposals (Pennycroft Lane / Lynwood Avenue)	Litigation – General Community Regeneration VFM Council	5	As required	Assurance on the legal process and financial probity applied to the disposal of Council land at Pennycroft Lane and Lynwood Avenue.	Assurance
21	Stronger Towns Fund	Stronger Towns Fund Community Regeneration Environment and Health & Wellbeing VFM Council	10	Q3	Review of the processes in place to oversee delivery of projects financed from the Stronger Towns Fund.	Assurance
22	Shared Prosperity Fund	Central Government Funding Community Regeneration Environment & Health and Wellbeing Community Regeneration VFM Council	10	Q3	Assurance on compulsory purchase of property in Uttoxeter. Review of administration process in respect of bids received for the Village Enhancement Project.	Assurance

Ref.	Audit	Corporate / Strategic Risk & Corporate Priority	Days	Phasing*	Outline Scope	Assurance or Advisory
23	Washlands Enhancement Project	Central Government Funding Community Regeneration Environment & Health and Wellbeing VFM Council	10	Q2	Assurance on the delivery of the Washlands Enhancement Project in partnership with the Environment Agency and a range of private and public sector organisations.	Assurance
<b>Management, follow up and contingency</b>						
24	Client Management	N/A	15	Q1 - Q4	<p>For management of the Council's internal audit service, including:</p> <p>production of the Strategic Internal Audit Plan and annual work programme</p> <ul style="list-style-type: none"> <li>production of Head of Internal Opinion &amp; Annual Report</li> <li>continual review and update of the Internal Audit Plan to ensure it meets the needs of the organisation</li> <li>provision of ad hoc advice and support regarding internal control and governance issues</li> <li>quality management</li> </ul> <p>progress reports to the Audit Committee and Director of Finance</p> <ul style="list-style-type: none"> <li>liaison with External Audit</li> <li>attendance at Audit Committee, client progress meetings, and other meetings as required.</li> </ul>	Assurance

Ref.	Audit	Corporate / Strategic Risk & Corporate Priority	Days	Phasing*	Outline Scope	Assurance or Advisory
25	Recommendation Tracking & Follow Up Tracking	N/A	10	Q1 - Q4	To follow up agreed actions in all internal audit reports using the tracker.	Assurance
<b>TOTAL</b>			<b>235 days</b>			

*\*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
<b>Corporate Reviews</b>				
1	Governance Arrangements	7	7	7
2	Anti-Fraud & Corruption	10	-	-
3	Health & Safety	-	-	10
4	National Fraud Initiative	8	8	8
5	Performance Management	10	-	-
6	Risk Management	7	7	7
7	Financial Management & Reporting	10	10	10
8	IT Audit	10	10	10
<b>Chief Executive</b>				
9	Commercial Property Management	10	-	-
10	Creditor Payments	5	10	5
11	Human Resources	10	10	10
12	Member Induction	10	-	-
13	Payroll	5	10	5



Head of Service – Sal Khan				
14	Benefits	15	10	15
15	Building Control	-	-	10
16	Business Continuity/Emergency Planning	-	-	10
17	Homelessness	-	-	10
18	Housing Allocations	10	-	-
19	Planning	-	-	10
20	Procurement & Contract Management	-	10	-
21	Revenues	10	15	10
22	S106 Agreements	-	10	-
23	Street Cleaning & Waste Management	-	-	10
24	Treasury Management	-	10	-
25	Grant Certifications	8	8	8
Head of Service – Mark Rizk				
26	Tourism & Cultural Development	10	-	-
27	Brewhouse – Income Collection	10	-	-
28	Car Parking	-	-	10
29	Marketing	-	10	-
30	Facilities – Statutory Compliance	-	-	10

31	Food Safety	-	-	10
32	Grounds Maintenance	-	10	-
33	Licensing/ Enforcement	10	10	-
34	Markets	-	10	-
35	Partnerships	-	10	-
36	Safeguarding	-	10	-
37	Climate Change	-	10	-
<b>Interim Head of Regeneration – Tom Deery</b>				
38	Disposals (Pennycroft Lane / Lynwood Avenue)	5	5	5
39	Stronger Towns Fund	10	-	10
40	Shared Prosperity Fund	10	-	10
41	Washlands Enhancement Project	10	-	-
<b>Management</b>				
42	Client Management (Including Planning and Head of Audit Opinion)	15	15	15
43	Recommendation Tracking & Follow Up	10	10	10
<b>Total</b>		<b>235</b>	<b>235</b>	<b>235</b>

## 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
<b>Corporate</b>	
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
Health & Safety	Year 3
National Fraud Initiative	Annual
Performance Management	Year 1
Risk Management	Annual
Financial Management & Reporting	Annual
Digital Strategy	Cyclical – IT Audit
Cyber Security	Cyclical – IT Audit

IT Disaster Recovery/Business Continuity	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
GDPR	Cyclical – IT Audit
Complaints	Not included – last reviewed in 2022/23
Member Induction	Year 1
Democracy & Elections	Not included - last reviewed in 2022/23
Freedom of Information	Not included
<b>Chief Executive</b>	
Commercial Property Management	Year 1
Creditor Payments	Annual
Recruitment	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 and inclusion, eg compliance with EQIAs	Cyclical – Human Resources
<b>Head of Service – Sal Khan</b>	
Benefits	Annual
Building Control	Year 3
Business Continuity /Emergency Planning	Year 3
Homelessness	Year 3
Housing Allocations	Year 1
Planning	Year 3
Procurement & Contract Management	Year2
Revenues	Annual
S106 Agreements	Year 2
Street Cleaning & Waste Management	Year 3
Treasury Management	Year 2
Grant Certification	Annual
Local Land Charges	Not included

Planning Policy	Not included
<b>Head of Service – Mark Rizk</b>	
Tourism & Cultural Development	Year 1
Car Parking	Year 3
Marketing	Year 2
Facilities – Statutory Compliance	Year 3
Food Safety	Year 3
Grounds Maintenance	Year 2
Taxi Licensing	Cyclical – Licensing/Enforcement
Selective Licensing	Cyclical – Licensing/Enforcement
Premises Licensing	Cyclical – Licensing/Enforcement
Other Licensing (e.g. Animal Welfare, Hairdressing, Tattooing)	Cyclical – Licensing/Enforcement
Markets	Year 2
Partnerships	Year 2
Private Sector Housing – Enforcement	Cyclical – Licensing/Enforcement Years 1 & 2
Safeguarding	Year 2
Climate Change	Year 2

Cemeteries	Not included – last reviewed in 2022/23
CCTV	Not included
Leisure Services	Not included – last reviewed in 2021/22
<b>Interim Head of Regeneration – Tom Deery</b>	
Disposals	Annual
Stronger Towns Fund	Years 1 & 3
Shared Prosperity Fund	Years 1 & 3
Washlands Enhancement Project	Years 1

## 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:

C.2.1 The Chief Finance Officer shall maintain an adequate and effective internal audit of all the Council's activities. Such internal audit is to be performed in accordance with guidelines recommended by the Chartered Institute of Public Finance and Accountancy. The Chief Finance Officer as the responsible officer, (the Accounts and Audit Regulations 2015, regulation 6), will carry out an annual review of the effectiveness of the system of internal audit. The findings will be considered by Council as part of the consideration of the system of internal control (C.2.4 below).

C.2.2 The Chief Finance Officer and the Internal Audit staff shall have the right of access to all records and property of the Council and shall be entitled to explanations relating to matters arising from audits within a reasonable time of requesting such explanations.

C.2.3 All Officers shall immediately notify the Chief Finance Officer of any circumstances which may suggest the possibility of irregularity affecting cash, stores, or other property of the Council.

C.2.4 In accordance the Accounts and Audit Regulations 2015, regulation 6, the Chief Auditor will, in conjunction with the Chief Finance Officer, carry out an annual review of the system of internal control. The findings of the review are to be included in the Corporate Governance Statement, which is to be considered and approved by the Audit Committee and published as part of the Annual Statement of Accounts.

*(Constitution Part 4H: Financial Regulations, June 2021)*

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

1.3 To consider the annual report and opinion from the Internal Audit Function (currently provided by CW Audit), and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

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

1.5 To consider reports dealing with the management and performance of Internal Audit.

1.6 To consider a report from the Internal Audit Function (currently provided by CW Audit) on agreed recommendations not implemented within a reasonable timescale

1.10 To commission work from Internal Audit

*(Audit Committee Terms of Reference, December 2022)*

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 chief finance officer/director of finance 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	
<b>Leanne Hawkes, Director</b>	
<a href="mailto:leanne.hawkes@nhs.net">leanne.hawkes@nhs.net</a>	07545 423040
<b>Mark Watkins, Client Lead</b>	
<a href="mailto:m.watkins3@nhs.net">m.watkins3@nhs.net</a>	07926 252619