

Report sponsor: Strategic Director - Corporate Resources
Report author: Head of Internal Audit

Internal Audit Plan 2021/22 and Internal Audit Charter

Purpose

- 1.1 To outline to the Committee the proposals for internal audit work in 2021/22. This is in accordance with the Public Sector Internal Audit Standards (PSIAS) which requires that Internal Audit develops a risk-based plan to direct their work in the forthcoming financial year.
- 1.2 To seek the Committee's approval of CMAP's Internal Audit Charter.

Recommendations

- 2.1 To consider and approve the Internal Audit Plan for Quarter 1 of 2021/22 at Appendix 1.
- 2.2 To approve the Internal Audit Charter at Appendix 2.

Reasons

- 3.1 The Audit and Accounts Committee is responsible for providing assurance to the Council on the effectiveness of its governance arrangements, its risk management framework and the internal control environment. The work of Internal Audit supports Committee in providing this assurance.

Supporting information

Background to Internal Audit Planning

- 4.1 The Audit Plan must incorporate sufficient work to enable the Chief Audit Executive (Head of Internal Audit) to give an opinion for the 2021/22 financial year on the adequacy of the Council's overall governance, risk and control environment. Internal Audit must therefore have sufficient resources to deliver the Audit Plan.
- 4.2 Management needs to ensure that the appropriate control measures are in place to manage risk and are applied consistently across all services and that there are good governance arrangements to ensure that the Council is operating within both the legal framework and its own protocols and standards.

- 4.3 In accordance with the Public Sector Internal Audit Standards (PSIAS), Internal Audit must develop a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals, for the coming financial year. The chief audit executive (the Head of Internal Audit) must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems, and controls.
- 4.4 The Chartered Institute of Public Finance & Accountancy's (CIPFA) Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards 2019 Edition (issued February 2019) states: "In the context of the PSIAS, 'opinion' means that internal audit will have done sufficient, evidenced work to form a supportable conclusion about the activity that it has examined."
- 4.5 Internal Audit helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The internal audit activity must be free from interference in determining the scope of internal auditing, performing work and communicating results.

Internal Audit Plan 2021/22

- 4.6 The coronavirus pandemic has undoubtedly had a significant and sustained impact on the operations of the council. It is inevitable that the effects of Covid-19 will carry on into 2021/22, and almost certainly beyond. At the same time, the Council is facing significant uncertainty from risks arising from its external environment, which have the potential to change further.
- 4.7 There is always increased risk in times of change. Over the last couple of years, there have been significant changes both within the senior management team and service structures at the Council. There are also continuing financial pressures on the Council to provide value for money. This means being more efficient and effective and looking for innovative ways of working. The challenge for audit is to help services become leaner and more effective within a controlled environment. Change always raises the level of risk. The uncertainty affects staff and increases the risk of system failure, the relaxation or circumvention of the expected controls and fraudulent activity. We need to ensure that the appropriate control measures are in place and applied consistently across all services and that we have good governance arrangements to ensure that we are operating within both the legal framework and our own protocols and standards.
- 4.8 The internal audit standards require that internal audit independently forms a view on the risks facing the Council and work to be included in the audit plan. Internal audit plans also need to be flexible to respond to changes to those risk that the Council faces, as well as any other changes with the Council e.g. organisational.

- 4.9 The audit plan needs to align strategically with the aims and goals of the Council and the risks to their achievement. It also needs to become more insightful, active, and focused on the future. A static, annual audit plan is not the way forward. Change is now the constant, and the Head of Internal Audit needs to focus on how the plan needs to change in the year. The Institute of Internal Auditors has found in the past few years that a lot of Heads of Internal Audit have been introducing processes for updating their internal audit risk assessment and audit plans during the year. The Covid pandemic has brought about greater in year change that Internal Audit has had to adapt its work to.
- 4.10 To achieve greater flexibility in internal audit planning for the Council, it has been agreed with the Council's s151 Officer, the Strategic Director - Corporate Resources, that Internal Audit work will continue to be based on quarterly planning. This will mean that a firm plan for the next quarter will be brought to each Committee meeting. An outline plan for the next 12 months has been developed to help inform each quarterly plan.
- 4.11 The planning process has taken into account the impact of the coronavirus pandemic on the Council, both in terms of the requirement to reprioritise its work and also the impact on internal audit delivery during 2020/21.
- 4.12 In producing the plan for Quarter 1 and indicative areas for the rest of the year, the Head of Internal Audit has:
- Reviewed the Council's Risk Registers and Recovery Plan;
 - Identified any areas of the Audit Universe (a list of potential areas for audit review across the Council) which have not been subject to Internal Audit review during the last three years;
 - Reviewed horizon scanning documents that highlighted some of the challenges and opportunities faced by the public sector which should be considered by Heads of Audit when determining the assurance requirements of their organisation and when formulating their internal audit plan for 2021/22.
- 4.13 A different approach to involving the Council's Senior Leadership Team in the audit planning process is proposed. Instead of the "annual plan meeting" with each Directorate Management/Leadership team, the Head of Internal Audit and/or a Group Auditor will meet with individual Strategic Directors and Service Directors, on at least a quarterly basis, to discuss the key risks and emerging risk areas their services face and any areas where Internal Audit support would be beneficial, either through an assurance or a consultancy review. It is also planned to request attendance at each Directorate Management/Leadership team meeting every quarter to discuss progress with audit work and the implementation of audit recommendations.
- 4.14 The ultimate aim is to move to a rolling audit plan. The Head of Internal Audit would have a 12-month plan continuously in place, with the first quarter firmer than the second, third and fourth quarters. Committee is presented with a list of audit reviews/risks that Internal Audit plan to audit in the next quarter and beyond, up to 12 months. However, the plan is only somewhat fixed, there still exists the flexibility for the next quarter and the Head of Internal Audit will revisit the plan to determine what audit reviews are required as we progress through each quarter.

- 4.15 Appendix 1 includes the proposed areas of coverage in quarter 1 and some initial ideas on possible areas for consideration in quarters 2 through to 4. This is not intended to be a definitive or complete list of areas that could be subject to review. Additional detail has been provided for all of the suggested audit areas to set out potential areas of focus, and to illustrate how the key risks can and will be incorporated into the audit plan for 2021/22. It is also important to emphasise that the audits included in the plan are not fixed. The plan will be kept under review to ensure that audit resource is deployed on areas of greatest risk and importance to the Council.
- 4.16 Internal Audit reviews started in 2020/21, which will be carried forward into 2021/22 are detailed in the Internal Audit progress report.

Internal Audit Charter

- 4.17 The Internal Audit Charter is a formal document that defines internal audit's purpose, authority, responsibility and position within the organisation. The Charter should set out the nature of services that internal audit will provide and how internal audit will help the organisation to achieve its objectives.
- 4.18 The Internal Audit Charter is vital to internal audit's success and should be reviewed periodically by Head of Internal Audit and presented to the Audit and Accounts Committee for approval.
- 4.19 CMAP reviews its Charter on an annual basis and takes it to each partner organisation's audit committee for approval. The CMAP Internal Audit Charter is contained in Appendix 2 to this report.

Public/stakeholder engagement

- 5.1 None

Other options

- 6.1 None

Financial and value for money issues

- 7.1 The Council's contribution to CMAP for 2021/22 will be £502,178 (2020/21 was £496,714). The estimated number of days required to deliver the plan is 1,480.

Legal implications

- 8.1 None

Other significant implications

- 9.1 None

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal Finance Service Director(s) Report sponsor Other(s)	Strategic Director – Corporate Resources	
Background papers:	None	
List of appendices:	Appendix 1 - Internal audit plan 2021/22 – Qtr 1 Appendix 2 – CMAP Internal Audit Charter	

Appendix 1 - Internal Audit Plan 2021/22

Audit Plan Assignments	Risk Register	Recovery Plan	Audit Needs Assessment	Third Party Request	Assurance/Reason for audit
Corporate Resources – Quarter 1					
SIRO/Information Governance	SR8 / P-R10		✓	✓	To provide assurance on compliance with the DPA 2018 - Data Sharing Agreements, data breaches and on the adequacy of the support role to the Council. There are links to the Council' Strategic Risk Register.
Digital by Default Project	CR13	✓	✓		To provide assurance on the management of the risks within the project. It links to the <i>Enabled Residents</i> outcome within the DCC Recovery Plan.
Health & Wellbeing	SR21 / CR22	✓	✓		To provide assurance on the management of the risks associated with the Council's role in promoting the health and wellbeing of its workforce. This links with the <i>Empowered Colleagues</i> outcome within the DCC Recovery Plan.
IT Contingency (Q1to Q4 work)	SR3 / CR3 & CR13		✓		To provide assurance on the risks and the actions in place to reduce the vulnerability of the Council's IT estate to cyber-attacks. The contingency will also be used on IT Audit work in connection with the Sharepoint Project and also on the management of risks/key controls around IT infrastructure and applications.
Fraud & Risk Contingency (Q1to Q4 work)			✓		This contingency will be used to provide post payment assurance on the Covid Business Grants, to assess compliance with fraud policies, co-ordinate the Council's work on the National Fraud Initiative (NFI), provide assurance on the Council's fraud risk assessment etc.

Audit Plan Assignments	Risk Register	Recovery Plan	Audit Needs Assessment	Third Party Request	Assurance/Reason for audit
Digital Workforce	CR13	✓			To provide assurance on the risks to the digital workforce programme. This links with the <i>Empowered Colleagues</i> outcome within the DCC Recovery Plan.
Communities & Place – Quarter 1					
Sinfin Waste Plant (Q1 to Q4 work)	SR14 / C&PR1		✓		Ongoing work to provide assurance at stage boundaries/key decision (embedded assurance) points of the project. This links to the <i>Confidence</i> outcome within the DCC Recovery Plan.
Rough Sleeping & Foodbanks	SR18 & SR25 / C&P-R14	✓	✓		To provide assurance on homelessness preventions. This links to the <i>Resilient Neighbourhoods</i> outcome within the DCC Recovery Plan.
Trading Standards / Environmental Health	SR24 / C&PR-13		✓		To review how well the risks around compliance with legislation/requirements were managed during the pandemic.
Strategic Housing			✓		Assurance around consistency and effectiveness of the operation in delivery of the strategies. (Postponed from 2020/21)
People Services – Quarter 1					
Demand Management	SR10 / P-R1	✓	✓		To provide assurance on the management of risks around high demand for statutory children's social care services. There are links to the <i>Thriving Children & Young People</i> outcome within the DCC Recovery Plan. (Postponed from 2020/21)
Carelink Service			✓	✓	Assurance on progress with the implementation of recommendations from an external review of compliance with the Quality Standards Framework Modules carried out in March 2018. (Postponed from 2020/21)

Audit Plan Assignments	Risk Register	Recovery Plan	Audit Needs Assessment	Third Party Request	Assurance/Reason for audit
Direct Payments			✓		Assurance around the systems/processes in place for Direct Payments - Support plans and monitoring. (Postponed from 2020/21)
Cross Cutting Services (All the work will be spread across the year)					
DCC Assurance Framework		✓	✓		<p>This is an area of consultancy work with the Council's assurance team. As well as looking at how assurance mapping may benefit the Council, it will also include time for leading the Scheme of Delegation Working Group. Time will also be set aside for audit input into the new Performance Management framework.</p> <p>All of this work will link to the "Review and reshape what and how we deliver" outcome within the DCC Recovery Plan.</p>
DCC - Governance Framework			✓		To provide assurance on the overall governance framework. This will include a review of the Local Code of Governance.
Project Management	SR6 / CR19	✓	✓		To provide assurance on the risks associated with the project management approaches across the Council in respect of the management and delivery of major capital projects to agreed objectives and budget. There is a link with the <i>Confidence</i> outcome within the DCC Recovery Plan.
Contract Management	SR7 / CR6 & P-R2		✓	✓	To provide assurance on the risks associated with the Council's contract management arrangements and to ensure that they are in line with agreed standards.
New Systems/Changes to existing systems			✓	✓	To provide consultancy/advice where required on new systems (Financial Management System) and on the changes to existing systems.

Audit Plan Assignments	Risk Register	Recovery Plan	Audit Needs Assessment	Third Party Request	Assurance/Reason for audit
Indicative Audit Work – Qtrs 2 to 4					
CIPFA Financial Management Code			✓		To provide an independent assessment of compliance.
Transforming Cities/Mobility Programme		✓			To provide assurance on the governance/management of the project. This will include the Future Transport Zones Fund. It links with the <i>Decarbonisation</i> outcome within the DCC Recovery Plan.
Governance Around Regeneration Projects	SR6 / CR19	✓			To provide assurance on the role of the Council in connection with new investment in the city. This links to the <i>Diversification and Intelligence Led Decisions</i> outcomes within the DCC Recovery Plan.
Climate Change	C&P-R8	✓			To provide assurance on the compliance with relevant legislation (Environment Act 1995, Ministerial Direction). The review's possible sub-areas include decarbonisation, carbon emissions, walking & cycling, household waste, Council impact on the environment, Carbon Change Action Plan. This links to the <i>Decarbonisation</i> outcome within the DCC Recovery Plan.
Better Together Approach		✓			Audit work to review stewardship, community driven initiatives, facilities, inclusion & equality and to explore joined up working. The work will be linked with the <i>Resilient Neighbourhoods</i> outcome within the DCC Recovery Plan.
Management of Information in a remote environment			✓		To provide assurance on the risks associated with remote working.
Safeguarding & Domestic Abuse	P-R3b	✓			To provide assurance on the risks around safeguarding of vulnerable people. This has links with the <i>Thriving Children and Young People</i> outcome within the DCC Recovery Plan.

Audit Plan Assignments	Risk Register	Recovery Plan	Audit Needs Assessment	Third Party Request	Assurance/Reason for audit
Key Financial Controls (e.g. reconciliations)			✓	✓	To provide assurance on the operation of the high level key controls in the Council's financial systems that feed into the accounts.
Procurement			✓		To provide assurance on the management of procurement risks.
Asset Management			✓		To provide assurance on the management of risks in respect of the Council's key assets
Property Design & Maintenance			✓		Provision of an assurance on the adequacy and effectiveness of systems in operation, risk management and the overall control environment.
H&S			✓		To review the management of health and safety risks within the administrative buildings/Council House
Leisure Centres			✓		Provision of an assurance on the adequacy and effectiveness of systems in operation, risk management and the overall control environment.
Parking Services				✓	Provision of assurance on the MiPermit system. This is follow on assurance work from a previous audit. (Postponed from 2020/21)
Children's Residential Homes	SR10 & P-R3b		✓	✓	Provision of an assurance on the adequacy and effectiveness of systems in operation, risk management and the overall control environment.
SEND	SR17 / P-R12 & P-R3b	✓			To provide assurance on the Council's approach to processing requests for EHCPs. This links to the <i>Thriving Children and Young People</i> outcome within the DCC Recovery Plan.
Care Act 2014	P-R3b	✓			To provide assurance around compliance with the Care Act to ensure the Council fulfils its duties in relation to assessing people's needs and their eligibility for publicly funded care and support. This

Audit Plan Assignments	Risk Register	Recovery Plan	Audit Needs Assessment	Third Party Request	Assurance/Reason for audit
					links to the <i>Healthy Citizens and Children and Young People</i> outcomes within the DCC Recovery Plan.
Data Quality & Performance Management		✓			To provide assurance on the accuracy etc of performance data. This links to the <i>Intelligence Led Decisions</i> outcome within the DCC Recovery Plan.
Records Management	SR8 / CR7				To provide assurance on how the Council is complying with best practice in the retention/disposal of data/information.
B&B Framework				✓	To provide assurance on the management of the processes around the securing of temporary accommodation. Linked to work within Derby Homes Audit Plan.
Right to Buy			✓	✓	Assurance on compliance with the Right To Buy rules/regulations
Building Consultancy			✓	✓	To review how the Council manages the risks associated with the Building Consultancy arrangement.
Land Drainage & Flood Control	C&P R9 & R10	✓			Assurance over the system in place to monitor compliance with The Flood and Water Management Act (FWMA) 2010.
Community Safety		✓	✓		A review to ensure that the Council is meeting its obligations under section 52 of the Modern Day Slavery Act 2015. This links to the <i>Resilient Neighbourhoods</i> outcome within the DCC Recovery Plan.
Schools Contingency			✓		SFVS Audits
Tackling Child Poverty	SR18 / P-R13	✓			To provide assurance on the <i>Healthy Citizens</i> outcome within the DCC Recovery Plan.
Inclusion & Equality		✓			To provide assurance on the <i>Resilient Neighbourhoods</i> outcome within the DCC Recovery Plan.

Audit Plan Assignments	Risk Register	Recovery Plan	Audit Needs Assessment	Third Party Request	Assurance/Reason for audit
Stronger Families	SR18 / P-R13	✓			To review Derby's Strength-Based Approach Strategy. This links to the <i>Thriving Children & Young People</i> outcome within the DCC Recovery Plan.
Economic Recovery		✓			To review the governance around the Council's involvement in the economic recovery of the City Centre - Future High Street Fund, Supporting business, Ascend, DCC Masterplan. This links to the <i>Confidence and Diversification</i> outcomes within the DCC Recovery Plan.
Vibrant City Events Plan		✓			To provide assurance on the governance of the Council's cultural offer and its work with key partners to bring vitality into the city centre through events, creativity and performance arts. This links to the <i>Diversification</i> outcomes within the DCC Recovery Plan.
Strategic Communications	CR20				To provide assurance on the robustness of the Council's communication processes.
Corporate Approach to Succession Planning	CR25				To review and provide assurance on the processes in place in the Council to engender succession planning in directorates/departments/teams.

Appendix 2 - CMAP Audit Charter

Purpose & Mission

The purpose of the Organisation's internal audit service is to provide independent, objective assurance and consulting services designed to add value and improve the Organisation's operations. The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. The internal audit service helps the Organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Standards for the Professional Practice of Internal Auditing

The internal audit service will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The Chief Audit Executive will report periodically to **senior management**¹ and the **Board**² regarding the internal audit service's conformance to the Code of Ethics and the Standards.

Authority

The Chief Audit Executive will report functionally to the Audit and Accounts Committee and administratively (i.e., day-to-day operations) to the Director of Financial Services. To establish, maintain, and assure that the Organisation's internal audit service has sufficient authority to fulfil its duties, the Audit and Accounts Committee will:

- Approve the internal audit service's charter.
- Approve the risk-based internal audit plan.
- Approve the internal audit service's budget and resource plan.
- Receive communications from the Chief Audit Executive on the internal audit service's performance relative to its plan and other matters.
- Make appropriate inquiries of management and the Chief Audit Executive to determine whether there is inappropriate scope or resource limitations.
- The Chief Audit Executive will have unrestricted access to, and communicate and interact directly with, the Audit and Accounts Committee, including in private meetings without management present.

¹ The PSIAS defines **senior management** as "Those responsible for the leadership and direction of the Council" which in this instance is the organisation's **Corporate Leadership Team**.

² The Standards require that Internal Audit report to the **Board**. CIPFA have via the Public Sector Internal Audit Standards (PSIAS) Guidelines, determined that 'Board' may refer to an audit committee to which the governing body has delegated certain functions. In this instance this would be the **Audit and Accounts Committee**.

The Audit and Accounts Committee authorises the internal audit service to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of the organisation, as well as other specialised services from within or outside the organisation, in order to complete the engagement.

Independence & Objectivity

The Chief Audit Executive will ensure that the internal audit service remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Chief Audit Executive determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the organisation or its affiliates.
- Initiating or approving transactions external to the internal audit service.
- Directing the activities of any organisation employee not employed by the internal audit service, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the Chief Audit Executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.

- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Chief Audit Executive will confirm to the Audit and Accounts Committee, at least annually, the organisational independence of the internal audit service.

The Chief Audit Executive will disclose to the Audit and Accounts Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit and Accounts Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the organisation. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of the organisation's strategic objectives are appropriately identified and managed.
- The actions of the organisation's officers, directors, employees, and contractors are in compliance with the organisation's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the organisation.
- Information and the means used to identify, measure, analyse, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The Chief Audit Executive will report periodically to senior management and the Audit and Accounts Committee regarding:

- The internal audit service's purpose, authority, and responsibility.
- The internal audit service's plan and performance relative to its plan.
- The internal audit service's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit and Accounts Committee.
- Results of audit engagements or other activities.
- Resource requirements.

- Any response to risk by management that may be unacceptable to the organisation.

The Chief Audit Executive also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit service may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit service does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Responsibility

The Chief Audit Executive has the responsibility to:

- Submit, at least annually, to senior management and the Audit and Accounts Committee a risk-based internal audit plan for review and approval.
- Communicate to senior management and the Audit and Accounts Committee the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems, and controls.
- Communicate to senior management and the Audit and Accounts Committee any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Audit and Accounts Committee any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit service collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact the organisation are considered and communicated to senior management and the Audit and Accounts Committee as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the internal audit service.
- Ensure adherence to the organisation's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter.



central midlands audit partnership

Any such conflicts will be resolved or otherwise communicated to senior management and the Audit and Accounts Committee.

- Ensure conformance of the internal audit service with the Standards, with the following qualifications:
 - If the internal audit service is prohibited by law or regulation from conformance with certain parts of the Standards, the Chief Audit Executive will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - When the Standards are used in conjunction with requirements issued by CIPFA, the Chief Audit Executive will ensure that the internal audit service conforms with the Standards, even if the internal audit service also conforms with the more restrictive requirements of CIPFA.

Quality Assurance & Improvement Programme (QAIP)

The internal audit service will maintain a quality assurance and improvement programme that covers all aspects of the internal audit service. The program will include an evaluation of the internal audit service's conformance with the Standards and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit service and identify opportunities for improvement.

The Chief Audit Executive will communicate to senior management and the Audit and Accounts Committee on the internal audit service's quality assurance and improvement programme, including results of internal assessments (both on-going and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.



Central Midlands
Audit Partnership