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| Report to | Governance Committee |
| Date | 21 February 2017 |
| By | Internal Auditor |
| Title of Report | Internal Audit Strategy and Annual plan 17/18 |

Recommendation: The Committee is recommended to approve the Internal Audit Strategy and Annual Plan (2017/18).

1. Summary and Background

- 1.1 This report presents the Internal Audit Strategy and Annual Plan for 2017/18.
- 1.2 The strategy and plan provides a key mechanism for giving assurance that the Authority's internal control, risk management and governance arrangements are effective.
- 1.3 The Accounts and Audit Regulations 2015 require that a "relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".
- 1.4 The Strategy and Plan for 2017/18 is attached as **Appendix I**. The Strategy sets out the framework, key considerations and overall approach to our work. The Plan details the specific work for the coming year. It also includes the following revised documents;
 - Summary 3 Year Internal Audit Plan
 - Internal Audit Charter
 - Quality Assurance and Improvement Plan
 - Service Performance Targets
- 1.5 The intention of the plan is to balance available resources with the review of core financial systems and other systems as well as services and projects which have significant risks attached to them.

2. Delivery of the Audit Plan

- 2.1 Brighton & Hove City Council successfully retendered for the delivery of financial services to the Authority for the following 3 years (with an optional 2 year extension). This Internal Audit Strategy and Plan forms a key deliverable under this contract.
- 2.2 The cost of delivering the audit plan is £12,000 per annum.
- 2.3 From April 2017, Brighton & Hove City Council is entering into a shared service agreement with two other local authorities known as "Orbis". The key benefits to this are the opportunity to share knowledge, skills and experience. The Orbis partnership is based on a 'collaborate to integrate' model. This means that it starts with developing strong working relationships and seeking areas where collaborative working can provide opportunities and benefits. The integration of services within Orbis can then be developed where this provides further opportunities and benefits. Orbis is committed to a people-centred approach with a focus on developing staff and building resilient shared services that are delivered by the public sector but also have the ability to grow by providing services to others.

- 2.4 Specifically, the three internal audit teams have aligned their working practices and are looking to strengthen and improve the branding and presentation of key audit documents. Any changes will be made in consultation with Officers and the key liaison Internal Auditor role will remain constant.
- 2.5 The audit plan sets out the priorities as determined at the beginning of the financial year. However, changes may be necessary during the year to allow a response to emerging risks and issues. Formal approval of any significant changes to the plan (ie: the addition or deletion of audits) will be obtained from the Governance Committee.

3. Other Implications

| Implication | Yes*/No |
|---|--|
| Will further decisions be required by another committee/full authority? | No |
| Does the proposal raise any Resource implications? | No. The Internal Audit plan should be delivered within the agreed audit fee. |
| How does the proposal represent Value for Money? | The Internal Audit Service is an external contract with BHCC which formed part of a wider procurement of financial services. |
| Are there any Social Value implications arising from the proposal? | No |
| Has due regard been taken of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010? | Any such considerations are taken into account with individual audit reviews as appropriate. |
| Are there any Human Rights implications arising from the proposal? | No |
| Are there any Crime & Disorder implications arising from the proposal? | No, but the service includes the provision of advice and investigation of frauds and irregularities when required. |
| Are there any Health & Safety implications arising from the proposal? | No, but individual audits consider health and safety risks where appropriate. |
| Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy: 1. Living within environmental limits 2. Ensuring a strong healthy and just society 3. Achieving a sustainable economy 4. Promoting good governance 5. Using sound science responsibly | No, but individual audits consider these principles where relevant, particularly around the Principle 4, "Promoting good governance" |

4. Risks Associated with the Proposed Decision

- 4.1 Internal Audit has an important role to play in relation to effective risk management for the organisation. The SDNPA risk register is considered when developing the Internal Audit Plan and Strategy and the planning of individual audit reviews

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Appendices I. Internal Audit Strategy and Annual Plan 2017-18
SDNPA Consultees Chief Executive; Director of Countryside and Policy Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services, Head of Governance; Countryside and Policy Managers, Planning and Technical Manager
External Consultees None
Background None
Documents

South Downs National Park Authority

Internal Audit Strategy & Annual Plan 2017-18



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Introduction

Purpose of this report

1. This document sets out the South Downs National Park Authority (SDNPA) Internal Audit Strategy and Annual Plan for the year 2016/17.
2. The SDNPA's internal audit function is provided by Brighton & Hove City Council. The terms of reference for the service are contained in the Internal Audit Charter, Appendix C.
3. The purpose of the Internal Audit Strategy and Plan is to:
 - Provide independent and objective overall assurance to Members and senior management on the effectiveness of the SDNPA's control environment.
 - Add value and support senior management in providing effective control and identifying opportunities for improving value for money.
 - Support the Chief Finance Officer in fulfilling their obligations as the SDNPA's nominated Section 151 Officer.
 - Deliver an internal audit service that meets the requirements of the Accounts & Audit Regulations and Public Sector Internal Audit Standards.

Key Deliverables for 2017-18

5. The following are considered to be our key deliverables:
 - To provide ongoing assurance to management on the integrity, effectiveness and operation of the SDNPA's internal control systems.
 - Delivery of the Annual Audit Plan.
 - To meet the requirements of the SDNPA's External Auditors.
 - To embed integration of internal audit work with governance and risk management to produce a coordinated risk-based approach to the audit of business/operational systems across the SDNPA.
 - To ensure agreed management responses to audit recommendations are implemented.
 - To deliver the statutory requirements of the Accounts and Audit Regulations 2015.
 - To work closely and effectively with the Governance Committee.
 - To make best use of new techniques including data analytics when carrying out audit reviews.

The Role and Purpose of Internal Audit

6. A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.
7. The Public Sector Internal Audit Standards define internal auditing as “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”
8. The statutory basis for an internal audit service is provided in the Accounts and Audit Regulations 2015, which states that a “relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”
9. In addition to the above, the Chief Finance Officer has a statutory duty under Section 151 of the Local Government Act 1972, to establish a clear framework for the proper administration of the Authority’s affairs. To perform that duty the Section 151 Officer relies on amongst other things, the work of internal audit services in reviewing systems of internal control, financial management and other assurance processes.
10. The standards for ‘proper practice’ in relation to internal audit are detailed in the Public Sector Internal Audit Standards. This document (updated in April 2016) is issued by CIPFA in collaboration with the Chartered Institute of Internal Auditors.
11. We continually ensure compliance with these professional standards and reflect this in our Audit Charter (Appendix C).
12. The standard and quality of our service is scrutinised through the following:
 - Customer feedback
 - Scrutiny by the Governance Committee
 - Review by External Audit
 - Internal Review
 - Independent External Reviews

Protocol for Audit Reviews

13. For each audit review, formal terms of reference will be produced to ensure the scope, objectives and approach are understood and agreed. Draft internal audit reports will be issued for discussion with the appropriate levels of management.
14. Final internal audit reports will be issued after the agreement of draft reports and contain completed management action plans that identify those responsible for implementation and corresponding timescales.
15. A copy of the final report will also be issued to the Chair of the Governance Committee and to its Independent Members.
16. Agreed actions or recommendations will be followed-up in accordance with an agreed protocol.

Priorities and service delivery

17. The service is delivered by the internal audit team at Brighton & Hove City Council. This team is supplemented by specialist IT audit skills from an external provider.
18. From April 2017 the service provider (Brighton & Hove City Council) is collaborating under a shared services arrangement with both East Sussex and Surrey County Councils under the name of Orbis. It is not intended that this will impact on the delivery of the service but it will provide the opportunity for other specialist skills to be brought in should the National Park Authority require it.
19. The internal audit coverage will continue to balance the priorities for auditing key financial systems with the audit of operational processes on a three year cyclical basis. Specific provision is also made for one IT audit during the year.
20. Arrangements are in place to deliver counter fraud services if required but these are not specifically provided in planned work. Similarly additional risk management advice and support will be provided at an agreed rate if required.
21. We will continue to work closely with Governance Committee Members in developing its role in relation to best practice and to contribute to effective corporate governance of SDNPA.

Performance Management

22. We have established performance targets based on best professional practice. Performance indicators and targets are shown at Appendix E for four aspects of our service:
 - Cost and quality of input
 - Productivity and process efficiency
 - Compliance with professional standards
 - Staff Qualifications

Developing the Internal Audit Plan

23. The methodology used for developing the Annual Internal Audit Plan includes examining corporate risks as well as an assessment of operational risk in relation to individual systems and services. This is informed by our previous audit work and consultation with key officers from the Authority.
24. The Annual Internal Audit Plan may change during the year due to emerging risks and issues. This will be managed through ongoing review and amendment, in consultation with relevant officers. The Governance Committee will be kept informed of progress against the Annual Audit Plan and give final approval to any additions or deletions during the year.
25. At the year-end an Annual Internal Audit Report and Opinion is produced. It is a key source of information to assist in the preparation of the Annual Governance Statement.

Summary Internal Audit Plan 2017-18

26. Appendix A shows the Annual Internal Audit Plan and provides a brief summary of each review. The plan includes cross references (where relevant) against the Authority's Risk Register. The allocation of the 35 audit days is summarised in Table 1 below.

Table 1 – Summary of Annual Internal Audit Plan 2017-18

| Thematic Area | Audit Days |
|---|-------------------|
| Key Financial Systems | 9 |
| Other Services and Systems | 12 |
| IT Audits | 5 |
| Committee Support, Audit Strategy and Planning | 9 |
| Total | 35 |

DETAILED INTERNAL AUDIT PLAN 2017-18

| Audit Title | Corporate Risk Reference (if relevant) | Days | Audit Details | |
|---------------------------------------|---|------|--|---------------------------------------|
| | | | Overview | Audit Owner |
| Key Financial Systems | | | | |
| Income Processing | 02. Finance and budgets | 3 | To examine key control procedures | Head of Business Services |
| Treasury Management | 02. Finance and budgets | 2 | To examine controls over the investment of unspent balances | Head of Business Services |
| Main Accounting and Budget Management | 02. Finance and budgets 16. Staffing | 4 | To review controls in place for budget setting, ongoing management and reporting of accounts | Head of Business Services |
| Other Services and Systems | | | | |
| Project and Programme Management | 06. Local Plan 17. Brexit | 3 | This review will examine the overall management of projects including monitoring, accountability and reporting | Performance & Project Manager |
| Planning Income | 02. Finance and budgets 07. Development Management | 3 | To review controls operating to ensure that all income due is promptly received. | Director of Planning |
| Corporate Governance Arrangements | 12. Awareness & favourability 13. Partner Expectations | 3 | To review the arrangements in place at SDNPA for its effective operation and accountability of decisions made. | Head of Governance & Support Services |
| Business Continuity | 08. Business Continuity Planning | 3 | To examine the preparedness of SDNPA to be able to continue its functions in the event of adverse incidents. | Head of Governance & Support Services |
| ICT Audits | | | | |
| ICT - Cybersecurity | 15. IT Contract | 5 | That controls are in place to mitigate vulnerability to computer-based threats to information security. | ICT Strategy Manager |

| Audit Title | Corporate Risk Reference (if relevant) | Days | Audit Details | |
|--|---|------|--|-------------|
| | | | Overview | Audit Owner |
| Audit Management and Supervision | | | | |
| Audit Management and Supervision | | 3 | Supervision and review of individual audits | |
| Committee Support, Audit Strategy and Planning | | | | |
| Committee Support, Attendance and Reporting by Audit Manager. | | 4 | Producing reports and attendance at Governance Committee. Liaison with external audit. | |
| Preparation of Annual Audit Plan, Annual Report and Assistance with Annual Governance Review | | 2 | Preparation of Annual Audit Plan, Annual Report and Assistance with Annual Governance Review | |
| Total Days | | 35 | | |

Summary 3 Year Internal Audit Plan

Summary 3 Year Internal Audit Plan

| | 2016/17 | 2017/18 | 2018/19 |
|--|-------------|-------------|-------------|
| Audit | Days | Days | Days |
| Key Financial Systems | | | |
| Payroll | 3 | | 3 |
| Creditors/ Accounts Payable | 3 | | 3 |
| Income Processing | | 3 | |
| Treasury Management | | 3 | |
| Main Accounting and Budget Management | | 4 | |
| Capital Accounting | | | 3 |
| Other Services and Systems | | | |
| Awarding of Grants | 5 | | |
| Project and Programme Management | | 3 | |
| Planning Income | | 3 | |
| Planning SLAs | | | 3 |
| Planning Performance | 3 | | |
| Procurement | 3 | | |
| Purchasing Cards | 3 | | |
| Health and Safety | | | 3 |
| Corporate Governance Arrangements | | 3 | |
| Allowances and Expenses | | | 3 |
| Declarations of Interest, Gifts and Hospitality | | | 3 |
| Business Continuity | | 2 | |
| IT Audit | | | |
| IT audit review | 5 | 5 | 5 |
| Committee Support, Audit Management, Strategy, Planning and Reporting | 9 | 9 | 9 |
| | 34 | 35 | 35 |

INTERNAL AUDIT CHARTER

1. Introduction

This Charter describes for the Authority the purpose, authority and responsibilities of the Internal Audit function in accordance with the UK Public Sector Internal Audit Standards (PSIAS).

The PSIAS require that the Charter must be reviewed periodically and presented to “senior management” and “the board” for approval. For the purposes of this charter “senior management” will be the Senior Management Team (SMT) and the board will be the Governance Committee.

The Charter shall be reviewed annually and approved by the Head of Internal Audit the Governance Committee. The Head of Internal Audit is responsible for applying this Charter and keeping it up to date.

The service is provided by Internal Audit Services at Brighton & Hove City Council. The Principal Auditor the Authority’s ‘Head of Internal Audit ’ for the purpose of this document.

2. Internal Audit Purpose

The mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

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

Internal Audit supports the whole Authority to deliver economic, efficient and effective services and achieve the Authority’s vision, priorities and values.

3. Statutory Requirement

Internal Audit is a statutory service in the context of the Accounts and Audit Regulations 2015, which require every local authority to maintain an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance.

These regulations require any officer or Member of the Authority to

- make available such documents and records; and
- supply such information and explanations;
- as are considered necessary by those conducting the audit.

This statutory role is recognised and endorsed within the Authority’s Financial Regulations.

In addition, the Authority’s S151 Officer has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority’s financial affairs. To perform that duty the Section 151 Officer relies, amongst other things, upon the work of Internal Audit in reviewing the operation of systems of internal control and financial management.

4. Internal Audit Responsibilities and Scope

Annually the Head of Internal Audit is required to provide to the Governance Committee an overall opinion on the Authority's internal control environment, risk management arrangements and governance framework to support the Annual Governance Statement.

Internal Audit is not responsible for control systems. Responsibility for effective internal control and risk management rests with the management of the Authority.

Internal Audit activity must be free from interference in determining the scope of activity, performing work and communicating results.

The scope of Internal Audit includes the entire control environment and therefore all of the Authority's operations, resources, services and responsibilities in relation to other bodies. In order to identify audit coverage, activities are prioritised based on risk, using a combination of Internal Audit and management risk assessment (as set out within Authority risk registers). Extensive consultation also takes place with key stakeholders and horizon scanning is undertaken to ensure audit activity is proactive and future focussed.

Internal audit activity will include an evaluation of the effectiveness of the organisation's risk management arrangements and risk exposures relating to:

- Achievement of the organisation's strategic objectives;
- Reliability and integrity of financial and operational information;
- Efficiency and effectiveness of operations and activities;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures and contracts.

5. Independence

Internal Audit will remain sufficiently independent of the activities that it audits to enable auditors to perform their duties in a way that allows them to make impartial and effective professional judgements and recommendations. Internal auditors should have no operational responsibilities.

Internal Audit is involved in the determination of its priorities in consultation with those charged with governance. The Head of Internal Audit has direct access to, and freedom to report in their own name and without fear of favour to, all officers and Members and particularly those charged with governance. This independence is further safeguarded by ensuring that the Head of Internal Audit's formal appraisal/performance review is not inappropriately influenced by those subject to audit. This is achieved by ensuring that both the Chief Executive and the Chairman of the Governance Committee have the opportunity to contribute to this performance review.

All Internal Audit staff are required to make an annual declaration of interest to ensure that objectivity is not impaired and that any potential conflicts of interest are appropriately managed.

6. Reporting Lines

Regardless of line management arrangements, the Head of Internal Audit has free and unfettered access to report to the S151 Officer; the Monitoring Officer; the Chief Executive; the Governance Committee Chairman; the Chair of the Authority and the Authority's External Auditor.

The Governance Committee will receive reports on a periodic basis – as agreed with the Chairman of the Governance Committee – on the results of audit activity and details of Internal Audit performance including progress on delivering the audit plan.

7. Fraud & Corruption

Managing the risk of fraud and corruption is the responsibility of management. Internal Audit will however be alert in all its work to risks and exposures that could allow fraud or corruption and will investigate allegations of fraud and corruption in line with the Authority's Anti-Fraud and Corruption Strategy.

The Head of Internal Audit should be informed of all suspected or detected fraud, corruption or irregularity in order to consider the adequacy of the relevant controls and evaluate the implication for their opinion on the control environment.

Internal Audit will promote an anti-fraud and corruption culture within the Authority to aid the prevention and detection of fraud.

8. Consultancy Work

Internal Audit may also provide consultancy services, generally advisory in nature, at the request of the organisation. In such circumstances, appropriate arrangements will be put in place to safeguard the independence of Internal Audit and, where this work is not already included within the approved audit plan and may affect the level of assurance work undertaken; this will be reported to the Governance Committee.

9. Resources

The work of Internal Audit is driven by the annual Internal Audit Plan, which is approved each year by the Governance Committee. The Head of Internal Audit is responsible for ensuring that Internal Audit resources are sufficient to meet its responsibilities and achieve its objectives.

Internal Audit must be appropriately staffed in terms of numbers, grades, qualifications and experience, having regard to its objectives and to professional standards. Internal Auditors need to be properly trained to fulfil their responsibilities and should maintain their professional competence through an appropriate ongoing development programme.

The Head of Internal Audit is responsible for appointing Internal Audit staff and will ensure that appointments are made in order to achieve the appropriate mix of qualifications, experience and audit skills. The Head of Internal Audit may engage the use of external resources where it is considered appropriate, including the use of specialist providers.

10. Due Professional Care

The work of Internal Audit will be performed with due professional care and in accordance with the UK Public Sector Internal Audit Standards (PSIAS), the Accounts and Audit Regulations (2015) and with any other relevant statutory obligations and regulations.

In carrying out their work, Internal Auditors must exercise due professional care by considering:

- The extent of work needed to achieve the required objectives;
- The relative complexity, materiality or significance of matters to which assurance procedures should be applied; and
- The adequacy and effectiveness of governance, risk management and control processes;
- The probability of significant errors, fraud or non-compliance; and
- The cost of assurance in proportion to the potential benefits.

Internal Auditors will also have due regard to the Seven Principles of Public Life – Selflessness; Integrity, Objectivity; Accountability; Openness; Honesty; and Leadership.

11. Quality Assurance

The Head of Internal Audit will control the work of Internal Audit at each level of operation to ensure that a continuously effective level of performance compliant with the PSIAS is maintained.

A Quality Assurance Improvement Programme (QAIP) is in place which is designed to provide reasonable assurance to its key stakeholders that Internal Audit:

- Performs its work in accordance with its charter
- Operates in an effective and efficient manner; and,
- Is adding value and continually improving the service that it provides

The QAIP requires an annual review of the effectiveness of the system of Internal Audit to be conducted. Instances of non-conformance with the PSIAS, including the impact of any such non-conformance, must be disclosed to the Governance Committee. Any significant deviations must be considered for inclusion in the Authority's Annual Governance Statement.

Internal Audit Quality Assurance and Improvement Programme

PURPOSE:

1. The Orbis IA Quality Assurance Improvement Programme (QAIP) is designed to provide reasonable assurance to its key stakeholders that Internal Audit:
 - Performs its work in accordance with its charter
 - Operates in an effective and efficient manner
 - Is adding value and continually improving the service that it provides
2. The Head of Internal Audit is responsible maintaining this QAIP which covers all aspects of Internal Audit activity. This QAIP seeks to conform with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as such includes both internal and external assessments.

INTERNAL ASSESSMENTS

3. Internal Assessment includes both ongoing and periodic reviews.

Ongoing Reviews

4. Ongoing assessments are conducted through:
 - Supervision of individual audit assignments
 - Applying relevant audit policies and procedures, including those set out on the OrbisIA Sharepoint Site, to ensure applicable audit planning, fieldwork and reporting quality standards are met
 - Review of all audit reports proportionate to the level of sensitivity (as determined by the Head of Internal Audit) prior to formal circulation
 - Feedback from auditees on individual audit assignments.
5. Principal Auditor will assign audit work to the Assignment Lead and Assignment Manager giving due regard to their level of skills, experience and competence. The Assignment Manager will have the following responsibilities:
 - Review and contribute to the Terms of Reference
 - Support to, and liaison with, the Assignment Lead throughout the audit
 - Monitoring assignment progress and budget
 - Review working papers and draft reports
 - Review final report
6. Feedback from auditees and reviews of working papers and audit reports will form part of the discussion during monthly 1-2-1 meetings and periodic team review sessions in line with the Orbis approach to Performance and Development; and will help inform formal appraisal discussions as required by the sovereign Authority.
7. Team objectives and priorities will be agreed annually and comprehensive performance targets will be agreed with senior management and the board. For the SDNPA “senior management” is SMT and the “board” is the Governance Committee. The Head of Internal Audit will measure, monitor and report on progress against these targets to the Governance Committee. The key performance measures for 2017/18 are set out at Appendix E.

Periodic Reviews

8. Periodic assessments are conducted to evaluate conformance with the Definition of Internal Auditing; the Code of Ethics; and, Standards as set out in the PSIAS. These may be conducted through self-assessment or by other persons with sufficient knowledge of Internal Audit practices. The PSIAS Local Government Application Note and Checklist will be used as part of this evaluation.
9. An annual review of the effectiveness of the system of Internal Audit will also be conducted. In drafting the Terms of Reference for this annual review the Head of Internal Audit will seek the views of the Section 151 Officer.

EXTERNAL ASSESSMENTS

10. An external assessment will be conducted at least once every five years as required by the PSIAS which came into effect on 1 April 2013 (and revised in April 2016).
11. The Head of Internal Audit will consider what form of external assessment is most appropriate eg a “full” external assessment or a self-assessment with independent validation. The scope of any external assessment will be discussed with the Section 151 Officer and agreed with the Chairman of the Governance Committee and with the appointed external assessor.
12. Before appointing an external assessor, the Head of Internal Audit will have confirmed with the Chairman of the Governance Committee that the assessor is competent in the area of professional internal auditing practices and the external assessment process. In determining competence the Head of Internal Audit will consider the level of experience gained in organisations of similar size and if in doubt will seek advice from CIPFA.
13. For an external assessment to provide a truly independent view, it is important that the appointed assessor has no real or apparent conflict of interest with the Authority in general or the Internal Audit team in particular. The Head of Internal Audit will be alert to this risk when appointing the external assessor.

REPORTING

14. The outcome of any external assessment or periodic internal assessment (notably the annual review of the effectiveness of the system of Internal Auditor) will be reported to the Governance Committee on completion. The Head of Internal Audit will not state that the Internal Audit service conforms with the Internal Standards for the Professional Practice of Internal Auditing (ie the PSIAS in the UK Public sector) unless the results of the QAIP (including a completed external assessment) confirm this.
15. The Head of Internal Audit will take appropriate action to ensure that recommendations for improvement identified as a result of periodic internal or external assessments exercises are implemented as appropriate.
16. Progress in implementing agreed improvement plans will be included as part of the Head of Internal Audit’s annual report to the Governance Committee.
17. Any significant deviations from the PSIAS will be brought to the attention of the Senior Management and considered for inclusion in the Annual Governance Statement.

Appendix E

Service Performance Targets

| Aspect of Service | IA Performance Indicators | Target |
|---|---|--|
| Quality | <ul style="list-style-type: none"> • Annual Audit Plan agreed by the Governance Committee • Annual Audit Report and Opinion • Satisfaction levels | <ul style="list-style-type: none"> • By end April • To inform AGS • 90% satisfied |
| Productivity and Process Efficiency | <ul style="list-style-type: none"> • Audit Plan – completion to draft report stage | <ul style="list-style-type: none"> • 90% |
| Compliance with Professional Standards | <ul style="list-style-type: none"> • Public Sector Internal Audit Standards • Relevant legislation such as the Police and Criminal Evidence Act, Criminal Procedures and Investigations Act | <ul style="list-style-type: none"> • Conforms • Conforms |
| Outcomes and degree of influence | <ul style="list-style-type: none"> • Implementation of management actions agreed in response to audit findings | <ul style="list-style-type: none"> • 95% for high priority |
| Our Staff | <ul style="list-style-type: none"> • Professionally Qualified/Accredited | <ul style="list-style-type: none"> • 80% |

