



# Powys County Council

Internal Audit Plan 2023-24  
and Internal Audit Charter

For presentation at G&A Committee on 28<sup>th</sup> July 2023

Version 2.1 17<sup>th</sup> July 2023

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

## The Internal Audit Plan: Summary

The work of Internal Audit should align strategically with the aims and objectives of the Council, considering key risks, operations, and changes. To do this Internal Audit needs to be flexible in adapting audit plans to handle rapidly changing risks, priorities, and challenges.

It is the responsibility of Senior Leadership Team, and the Governance & Audit Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage, will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.

The Committee are also responsible for overseeing the performance and delivery of internal audit work throughout the year.



### Introduction and Objective of the Internal Audit Plan

Internal Audit provides the Council with an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives.

The ever-changing landscape within Local Government needs continual reprioritisation and shift focus at speed. As a result, it is important that SWAP adopts a similarly flexible and responsive approach to audit planning, ensuring that we are supporting the Council by collaboratively aligning our work to its aims, objectives and key risks. This should ensure that we are auditing the right things, at the right time; enabling us to provide insight and value when and where it is required.

The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work will provide Senior Management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

It should be noted that internal audit is only one source of assurance, and the outcomes of internal audit reviews should be considered alongside other sources, as part of the 'three lines' assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Authority's AGS.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks in priority arrears?

# The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP have consulted with Senior Management, Members of the Audit Committee, as well as reviewing key documentation, to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.

Our approach to Internal Audit planning throughout 2023/24 will be a continual risk assessment aligned to a 12-month plan.

The Committees role is stated as "Approve an annual audit plan, ensuring there is sufficient and appropriate coverage, with a strong emphasis on risk management and resources available to implement the plan."



## Approach to Internal Audit Planning 2023/24

The factors considered in putting together the 2023/24 internal audit plan are set out below:



Due to the pace of change within Local Authorities, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our general approach to internal audit planning has changed to be more reflective of the changing risks and issues facing the Council at that point in time.

We will regularly re-visit and adjust our programme of audit work to ensure that it matches the changing risk profile of the Council's operations, systems, and controls. Any significant changes in the work programme will be reported back to the Governance and Audit Committee for approval.

# The Internal Audit Plan: Risk Assessment

A continuous risk assessment aligned to developing a rolling internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

It is the responsibility of the Council's Senior leadership Team, and the Governance and Audit Committee to ensure that, following our risk assessment, the proposed plan contains sufficient and appropriate coverage.



## Internal Audit Annual Risk Assessment

Our 2023/24 internal audit programme of work is based on a documented risk assessment, which SWAP will revisit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register will be considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for Powys County Council:



# The Internal Audit Plan: Coverage

The schematic sets out how our proposed 23/24 internal audit plan provides coverage of the Authority's key corporate objectives and risks, as well as our core areas of recommended audit coverage.

However, the Council's delay in the formulation of the detail corporate plan has resulted in a delay in the internal audit planning process. This information is fundamental to align coverage to priorities.

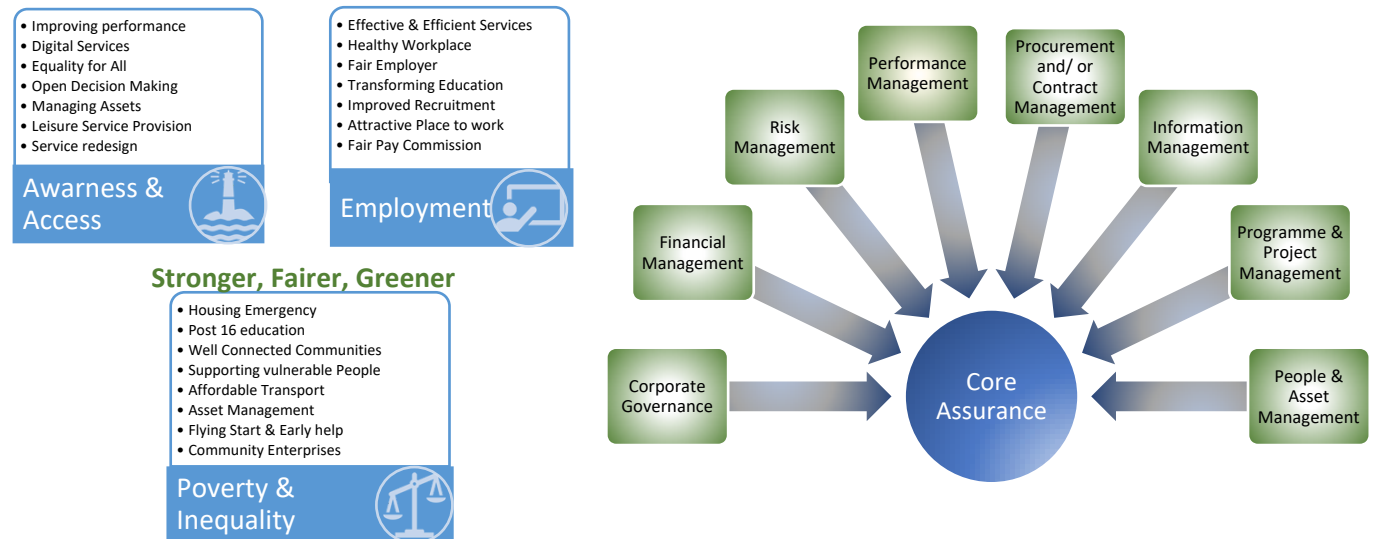
The Internal Audit Plan will be sense checked once the final detailed corporate plan is available.

Internal audit is only one source of assurance; therefore, where we have highlighted gaps in our coverage, assurance should be sought from other sources where possible in order to ensure sufficient and appropriate assurances are received.



## Internal Audit Coverage in 2023/4

Following our SWAP risk assessment, we have set out below the extent to which the proposed plan presented in Appendix 1 provides coverage of the Authority's key corporate objectives and risks, as well as our core areas of recommended audit coverage:



*Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss, or fraud.*



# The Internal Audit Plan: Coverage

This page highlights any key risk areas where we believe internal audit coverage is currently missing.

The Internal Audit Charter guides the work of internal audit to ensure compliance with the International Professional Practices Framework.

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 22 public sector partners, but also providing services to other clients throughout the UK.



## Risk Coverage Missing from Proposed Internal Audit Plan

Following our SWAP risk assessment and the preparation of the proposed 23/24 audit plan, we have set out below any areas where we feel coverage of key risk areas is missing.

Where we have highlighted limited or no coverage, Senior Management and the Audit Committee should seek and confirm assurance from alternative sources, or consider re-focussing internal audit resource to provide coverage of these areas:

Key Risk Area	Level of Assessed Coverage
HTR0018 - Impact of nature emergency on our ability to deliver services	
PCC0005 - IF there is a pandemic breakout or any other ILI's (influenza like illness) resulting in increased staff absenteeism; Nigel Brinn Increase demand for services from residents: Increased workload for council staff; Closure of Council premises, THEN there will be an increased workload for remaining council staff and increased service demand.'	

The audit resources for the year are broken down as follows:

Category	Days
Planned	190
Waiting to "Go Live"	228
Pipeline	347



## Your Internal Audit Service

### Audit Resources

The 2023/24 internal audit programme of work will be equivalent to 765 days.

The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the planned work.

### External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF).

## The Internal Audit Plan: Coverage

The key contacts in respect of your internal audit service for Powys County Council are:

Ian Halstead, Assistant Director  
Kevin Price, Principal Auditor

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best-practice between our public-sector partners;
- Regular newsletters and bulletins containing emerging issues and significant risks identified across the SWAP partnership;
- Communication of fraud alerts received both regionally and nationally;
- Annual Member training sessions;

Every three years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in February 2020 which confirmed general conformance with Internal Audit Standards.

### Conflicts of Interest

Whilst some minor conflicts of interest have been noted in SWAPs annual declaration of independence, i.e. Ysgol Calon Cymru and Environmental Health, we are not aware of any significant conflicts of interest within Powys County Council that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

### Consultancy Engagements

As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

### Approach to Fraud

Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud, and corruption. We have dedicated counter-fraud resources available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.

### Our Reporting

A summary of internal audit activity will be reported quarterly to senior management and the Audit Committee. This reporting will include any significant risk and control issues (including fraud risks), governance issues, and other matters that require the attention of senior management and/or the Governance and Audit Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation. In addition, quarterly performance information will be made available to the Governance and Audit Committee to monitor the work on Internal Audit.

*It should be noted that the audit titles and high-level scopes included in Appendix A are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific terms of reference for the piece of work, which includes the objective and scope for the review. The columns from Corp Plans to Health Organisation indicate where the Assignments have been inked to key drivers in the annual risk assessment.*

## Planned Q4 carry forwards

Audit Assignment	Sponsor	Work Type	Days	Indicative Start Qtr	Corp Plans	Corp risk	Fraud & IT Risk	SWAP Top Risks	IA Partner Risks	Health Org	Commentary
Complaints	Corporate	Assurance	2	c/f Q4							Give assurance to the Audit Committee that the administration of Complaints is effective
Debt Administration	Corporate	Assurance	2	c/f Q4							Review the systems for the administration of Debt to ensure that they are sound, secure and drive the recovery process.
NFI Checklist & Fair Processing	Corporate	Advisory	2	c/f Q4							Ensuring the Council complies with national data matching code of practice
Health & Safety	Corporate	Assurance	2	c/f Q4							Review corporate guidance, oversight and governance arrangements with Health and Safety legislation. A further review of OD Service compliance will be undertaken in a future audit cycle.
Whistle Blowing	Corporate	Assurance	1	c/f Q4							Review the Council's whistleblowing arrangements to give assurance that fraud and corruption measures are in place.
Financial Commitments	Finance	Assurance	1	c/f Q4							Review the way in which Childrens Service manage budgets commitments to enable effective budget management.
Front Door	Social Services & Housing	Assurance	4	c/f Q4							Assessing the process of third-party reporting in Children Services to ensure efficient practices.
Safeguarding	Economy & Environment	Assurance	2	c/f Q4							Review the Councils DBS checking in payroll following on from a Wales Audit review
Churchstoke School	Education & Children	Assurance	1	c/f Q4							Review Governance, financial administration and Asset Management at school using 360 assessments



Radnor Valley School	Economy & Environment	Assurance	1	c/f Q4							Review Governance, financial administration and Asset Management at school using 360 assessments
Ysgol Calon Cymru	Education & Children	Assurance	3	c/f Q4							Review Governance, financial administration and Asset Management at school using 360 assessments
Brecon High School	Education & Children	Assurance	3	c/f Q4							Review Governance, financial administration and Asset Management at school using 360 assessments

### Planned Q1

Audit Assignment	Sponsor	Work Type	Days	Indicative Start Qtr	Corp Plans	Corp risk	Fraud & IT Risk	SWAP Top Risks	IA Partner Risks	Health Org	Commentary
Action Tracking Q1	Corporate	Advisory	2	1							Supporting the Council to remediate issues and risks.
Conflict of Interest FU	Corporate	Follow Up	5	1							Ensure that the Council have improved the awareness, visibility, and reporting of any potential conflicts of interest.
NFI 2022	Corporate	Advisory	3	1							Administration and management of the data matching results from NFI22
Those Charged with Governance	Finance	Assurance	4	1							Certification of the Fraud Controls
Highways - Materials & Stock Follow Up	Economy & Environment	Follow Up	6	1							Follow up report to ensure risks identified in previous review have been mitigated
Highways - Delivery, Monitoring & Reporting Follow Up	Economy & Environment	Follow Up	6	1							Follow up report to ensure risks identified in previous review have been mitigated
Highways - Vehicles, Assets & Fuel Follow Up	Economy & Environment	Follow Up	6	1							Follow up report to ensure risks identified in previous review have been mitigated

Planned Q1

Audit Assignment	Sponsor	Work Type	Days	Indicative Start Qtr	Corp Plans	Corp risk	Fraud & IT Risk	SWAP Top Risks	IA Partner Risks	Health Org	Commentary
Mid Wales Growth Deal	Economy & Environment	Grant Certification	8	1							Certification of expenditure and control processes.
Section 106	Economy & Environment	Assurance	15	1							A review of the decision-making, recording, review, and enforcement of section 106 agreements
School Theme - Finance	Education & Children	Assurance	5	1							Combining the collective knowledge of the school audits throughout the year to give a corporate insight into the key issues
School Theme - Governance	Education & Children	Assurance	5	1							Combining the collective knowledge of the school audits throughout the year to give a corporate insight into the key issues
Insurance	Finance	Assurance	20	1							Assessing coverage, claims handling, claim management and the VFM of Insurance Services
Purchase Cards	Finance	Advisory	3	1							Reviewing purchase card spending to identify fraud and inefficiency
Levelling Up - Montgomery Canal	Finance	Assurance	20	1,2,3,4							Review of governance and project management processes for the transformation project
Levelling up - Theatr Brycheiniog	Finance	Assurance	20	1,2,3,4							Review of governance and project management processes for the transformation project
Grant Certifications	Finance	Grant Certification	5	2							To ensure that the Council are spending the Grant In accordance with the T&C's
Direct Payment Fraud - Adults	Social Services & Housing	Assurance	15	1							Review the processing controls designed to prevent and protect against fraud

Reporting, Planning & Engagement Q1	Support	Advisory	18	1							Supporting the Council
<b>Total Planned Days Q1</b>			<b>190</b>								

### Waiting to go Live (Q2)

Audit Assignment	Sponsor	Work Type	Days	Indicative Start Qtr	Corp Plans	Corp risk	Fraud & IT Risk	SWAP Top 10 Risks	IA Partner Risks	Health Org	Commentary
Integrated Business Planning	Corporate	Assurance	20	2							A review of the process that aligns and specifies the activities of the Council to the Corporate Objectives
Digital Strategy	Corporate	Assurance	12	2							An assessment on whether the Digital strategy will support the corporate objectives
NFI 2022 Q2	Corporate	Advisory	3	2							Reporting on progress of National Fraud Initiative
Workforce - Agency	Corporate	Assurance	15	2							An analysis of Agency cost and a review on the payment controls
Employee Review and Development	Corporate	Assurance	15	3							Review the effectiveness of the Council's 1-2-1 process and if outcome influence a training programme
Climate Change	Economy & Environment	Assurance	18	2							Early-stage review looking at the strategy and the steps taken to enable successful delivery
Highways - Commissioning	Economy & Environment	Follow Up	6	2							Follow up report to ensure risks identified in previous review have been mitigated

Waiting to go Live (Q2)

Audit Assignment	Sponsor	Work Type	Days	Indicative Start Qtr	Corp Plans	Corp risk	Fraud & IT Risk	SWAP Top 10 Risks	IA Partner Risks	Health Org	Commentary
Highways – Time recording	Economy & Environment	Follow Up	6	2							Follow up report to ensure risks identified in previous review have been mitigated
Highways - Procurement	Economy & Environment	Follow Up	6	2							Follow up report to ensure risks identified in previous review have been mitigated
Waste Management	Economy & Environment	Assurance	15	2							A review of controls in recycling and waste management
School Transport	Economy & Environment	Assurance	15	2							A review of route setting, tendering and route administration for school transport
Highways – Non-Standard Payments	Economy & Environment	Follow Up	6	2							Follow up report to ensure risks identified in previous review have been mitigated
Direct Payments - Children	Education & Children	Assurance	10	2							A review of the fraud administrative and processing control to protect against fraud
Ysgol Trefonen	Education & Children	Assurance	5	2							To undertake a review of Governance, Financial and workforce arrangements
Grant Certifications	Finance	Grant Certification	10	2							To ensure that the Council are spending the Grant In accordance with the T&C's
Income Collection Arrangements	Finance	Assurance	15	2							A review of the controls in the income collection arrangement across the Council
Pre School-Learning	Finance	Assurance	18	2							Reviewing management and support of the early years setting

## The Internal Audit Plan: 2023/24

## Appendix 1

Purchase Cards	Finance	Assurance	6	2							A continuous audit of purchase card transaction looking for signs of misuse
Housing Voids - Follow Up	Social Services & Housing	Follow Up	5	2							Follow up report to ensure risks identified in previous review have been mitigated
Engagement, Planning and Reporting	Support	Advisory	10	2							Engaging and supporting Officers and Members
New System Client Implementation	Support	Advisory	12	2							To implement a reporting system for live outcome and performance dashboards for Managers and Members
<b>Total Planned Days Q2</b>			<b>228</b>								

## Pipeline Q3 & Q4

Audit Assignment	Sponsor	Work Type	Days	Indicative Start Qtr	Corp Plans	Corp risk	Fraud & IT Risk	SWAP Top 10 Risks	IA Partner Risks	Health Org	Commentary
Customer Engagement	Corporate	Assurance	15	3							Evaluate the engagement process to determine whether the stakeholders can influence key decisions.
Cybersecurity Framework	Corporate	Assurance	12	3							The review the operational framework that prevents the Council from malicious attack
Delegated Decisions	Corporate	Assurance	12	3							Measure some delegated decisions against the decision framework to ensure transparent corporate governance
Employee Wellbeing	Corporate	Assurance	15	3							Review the success of the Council's employee wellbeing initiatives
Equality & Diversity	Corporate	Assurance	15	4							To ensure that the Council complies with the Equalities Act and the Council's equality policies.

Pipeline Q3 & Q4

Audit Assignment	Sponsor	Work Type	Days	Indicative Start Qtr	Corp Plans	Corp risk	Fraud & IT Risk	SWAP Top 10 Risks	IA Partner Risks	Health Org	Commentary
Performance Management	Corporate	Assurance	15	3							To review target setting and reporting process used to demonstrate effective performance
Expenses - Officers	Corporate	Assurance	15	3							A review of controls and expenses data by the analytics team to identify inefficiency, error and fraud
Follow up process	Corporate	Assurance	12	3,4							Undertake Follow-up reviews of high-risk audits
Fraud Support	Corporate	Advisory	6	3,4							To support the Council with intelligence and counter fraud advice including the Fraud Risk assessment
Risk Management	Corporate	Assurance	15	4							To review the maturity of risk management and follow up on the actions from the previous report
Training (including mandatory)	Corporate	Assurance	15	3							Determine how training needs are assessed and delivered
Workforce – Recruitment	Corporate	Assurance	15	4							Review the recruitment process looking at its effectiveness and any pre-employment vetting
School Fraud Risk	Education & Children	Assurance	10	3							To assess the fraud risks that face schools and work with the Counter Fraud team to mitigate those.
School High x 1	Education & Children	Assurance	6	3							To undertake a review of Governance, Financial and workforce arrangements
School Primary x 9 (TBA)	Education & Children	Assurance	35	3,4							To undertake a review of governance, financial and workforce arrangements



Pipeline Q3 & Q4

Audit Assignment	Sponsor	Work Type	Days	Indicative Start Qtr	Corp Plans	Corp risk	Fraud & IT Risk	SWAP Top 10 Risks	IA Partner Risks	Health Org	Commentary
Creditors	Finance	Assurance	18	4							Reviewing the control environment to identify potential error and misuse. Includes data analytics and fraud testing.
Main Accounting - Budget Setting	Finance	Assurance	18	4							To review the budget setting and reporting process
Council Tax - Liability and Billing	Finance	Assurance	18	3							Reviewing the accuracy of the tax database and the administration of bills
Treasury Management	Finance	Assurance	15	4							Reviewing the control environment to identify potential error and misuse
Commissioning-Monitoring & Performance	Social Services & Housing	Assurance	18	3							To review the performance framework and monitoring processes to ensure effective service delivery.
Housing Repairs & Maintenance	Social Services & Housing	Assurance	20	3							Reviewing activity, quality, and performance of the R&M team
Planning, engagement & reporting	Support	Advisory	20	3,4							Engaging and supporting Officers and Members
Action Tracking Q3&Q4	Corporate	Advisory	4	3.4							Supporting the Council to remediate issues and risks.
Contingency	TBA	TBA	3								TBA
<b>Total Plan Days Q3 &amp; Q4</b>			347								

**Purpose**

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Powys County Council, and to outline the scope of internal audit work.

**Provision of Internal Audit Services**

The internal audit service is provided by the SWAP Internal Audit Services (SWAP). This Charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by the Powys County Council, in conjunction with the SWAP Members Meeting. General financial provisions are laid down in the legal agreement, including the level of financial contribution, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment was determined by the S151 Officer in consultation with the Chief Executive of SWAP.

**Role of Internal Audit**

The Accounts and Audit (Wales) Regulations 2014 state that: *“A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control. A larger relevant body must, at least once in each year, conduct a review of the effectiveness of internal audit.”*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Organisation’s operations. It helps Powys County Council accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

**Responsibilities of Management, Governance & Audit Committee and Internal Audit*****Management<sup>1</sup>***

Management is responsible for ensuring that SWAP has:

- the support of management and the organisation;
- direct access and freedom to report to senior management, including the Chief Executive and the Governance & Audit Committee;
- notification of suspected or detected fraud, corruption or impropriety.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Organisation. Management is also responsible for the appropriate and effective management of risk.

***Governance & Audit Committee<sup>2</sup>***

The Committee is responsible for approving the plan of internal audit work, receiving communications from the SWAP Assistant Director on the progress of work undertaken, monitoring the delivery of the audit plan, reviewing the independence, objectivity, performance, professionalism and effectiveness of the Internal Audit function, and obtaining assurance from the SWAP Assistant Director as to whether there are any limitations on scope or resources.

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<sup>1</sup> In this instance Management refers to the Corporate Management Team and Statutory Officers.

<sup>2</sup> In this instance Governance & Audit Committee relates to “The Board” referred to in the PSIAS.

**Internal Audit**

The SWAP Assistant Director, as Head of Internal Audit, is responsible for determining the scope, except where specified by statute, of internal audit work and for recommending the action to be taken on the outcome of, or findings from, their work.

Internal audit is responsible for operating under the policies established by management in line with best practice.

Internal audit is responsible for conducting its work in accordance with the mandatory elements of the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. SWAP staff who have previously worked for the organisation will not be asked to review any aspects of their previous department's work until a minimum of one year has elapsed.

**Relationship with the External Auditors/Other Regulatory Bodies**

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

**Status of Internal Audit in the Organisation**

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

The Chief Executive for SWAP, the Executive Director and Assistant Director also report to the Section 151 Officer, and reports to the Audit Committee as set out below.

The Assistant Director will be the first and primary point of contact for the organisation for all matters relating to the Audit & Governance Committee, including the provision of periodic reports, as per company policy. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of Powys County Council.

**Scope and authority of Internal Audit work**

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organisation.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information used for operational and strategic decision making, and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management and communication of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;

- assist management and Members to identify risks and controls with regard to the objectives of the organisation and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the organisation is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness 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, with performance and accountabilities established.
- reviewing the operations of the organisation in support of their anti-fraud and corruption policy, ethical expectations and corporate values, investigating where necessary.
- at the specific request of management, internal audit may provide consultancy services (including fraud investigation services) provided:
  - the internal auditor's independence is not compromised;
  - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay;
  - the scope of the consultancy assignment is clearly defined and management have made proper provision for resources the work;
  - management understand that the work being undertaken is not internal audit work.

### **Planning and Reporting**

SWAP will submit an internal audit plan to the Governance & Audit Committee for approval, setting out the recommended scope of their work in the period. The plan will be reviewed on a regular basis to ensure it remains adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will record agreed actions to be taken by the appropriate Officers. SWAP will report regularly to the Governance & Audit Committee with a summary of their findings, including any persistent and outstanding issues.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the Section 151 Office and other relevant Senior Officers.

SWAP will produce regular performance information (at least quarterly) to allow the Governance and Audit Committee to monitor the delivery of internal audit work.

The Assistant Director will submit an annual report to the Governance & Audit Committee providing an overall opinion of the status of risk and internal control, based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and SWAP Directors and Assistant Directors have the unreserved right to report directly to the Leader of the Council, the Chair of the Governance & Audit Committee, the organisation's Chief Executive Officer or the External Audit Manager.