

Title of Report	INTERNAL AUDIT PROGRESS REPORT	
Presented by	Kerry Beavis Audit Manager	
Background Papers	Public Sector Internal Audit Standards Internal Audit Plan 2022/23	Public Report: Yes
Purpose of Report	To inform the Committee of progress against the Internal Audit plan for 2022/23 and to highlight any incidences of significant control failings or weaknesses that have been identified.	
Recommendations	THE AUDIT AND GOVERNANCE COMMITTEE NOTE THE REPORT.	

1.0 BACKGROUND

- 1.1. The Public Sector Internal Audit Standards require the Authority's Audit Committee to approve the audit plan and monitor progress against it. The Standards state that the Committee should receive periodic reports on the work of internal audit.
- 1.2 The Audit and Governance Committee approved the 2022/23 Audit Plan on 20 April 2022. The Committee receives quarterly progress reports.

2.0 PROGRESS REPORT

- 2.1 The Internal Audit Progress Report for the period 01 July 2022 to 30 September 2023 (Q2) is attached at Appendix 1.

Policies and other considerations, as appropriate	
Council Priorities:	An effective internal audit service supports all council priorities.
Safeguarding:	The report includes progress against the recommendations made during the 2020/21 Safeguarding Audit.
Risks:	There are no specific risks associated with this report however if the Audit and Governance Committee did not receive periodic reports from Internal Audit, there would be a risk of not conforming with the Public Sector Internal Audit Standards.
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INTERNAL AUDIT SHARED SERVICE

North West Leicestershire District Council

Internal Audit Progress Report 2022/23 Q2

1. Introduction

- 1.1. Internal Audit is provided through a shared service arrangement led by North West Leicestershire District Council and delivered to Blaby DC and Charnwood BC. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight progress against the 2022/23 Internal Audit Plan up to 30th September 2022.

2. Internal Audit Plan Update

- 2.1. The 2022/23 audit plan is included in Appendix A for information and shows the audits in progress. Since the last update report, three grant certifications have been completed and one final report has been issued from the 2022/23 plan.

- Right to buy – Reasonable assurance.

The executive summary for this report is included at Appendix B

- 2.2 The audits due to take place in Q3 are:

- Rent arrears
- Anti-social behaviour
- Choice Based Lettings

3. Internal Audit Recommendations

- 3.1. Internal Audit monitor and follow up all critical, high and medium priority recommendations. There are currently no overdue audit recommendations.

4. Internal Audit Performance Indicators

- 4.1. Progress against the agreed Internal Audit performance targets is documented in Appendix C. Work on the 22/23 audit plan is progressing in line with work scheduling.

5. Internal Audit Charter

- 5.1. The Audit Manager has completed the annual review of the Charter, detailed in full in Appendix D. No amendments have been made.

Appendix A

2022/23 AUDIT PLAN AS AT 30th SEPTEMBER 2022

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
Housing Repairs	Audit	10	4	In progress						
Housing Planned Maintenance	Audit	10	1	In progress						
Choice Based Lettings	Audit	8	0.5	Q1/2						Moved to Q3 due to system implementation
Rent Arrears	Audit	7		Q3						
Right to Buy	Audit	8	10	Final	Reasonable	-	4	5	2	
Anti-social behaviour	Audit	8		Q3						
Key financial systems	Risk based	30		Q2/3/4						
Tax	Audit	10	1	In progress						
Covid-19 Related Assurance	As required	10	1.5	As required						
LAD 1b Green Grant	Certification	-	5.5	Completed		-	-	-	-	Addition to plan
Tenant Association Accounts	Advisory and review		1	In progress						Addition to plan
COMF grant funding	Certification		1.5	Completed		-	-	-	-	Addition to plan
DFG	Certification		0.5	Completed		-	-	-	-	

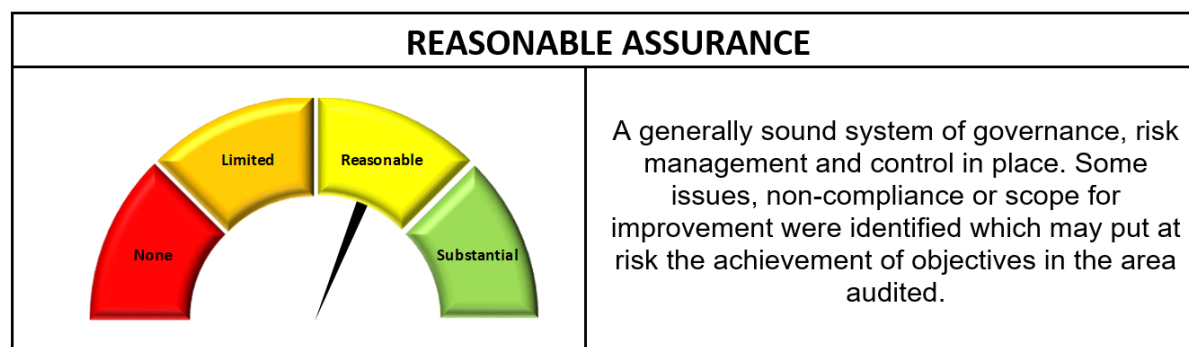
Audit Opinion Key

Opinion	Definition
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited

Audit Recommendations Key

Level	Definition
Critical	Recommendations which are of a very serious nature and could have a critical impact on the Council, for example to address a breach in law or regulation that could result in material fines/consequences.
High	Recommendations which are fundamental to the system and require urgent attention to avoid exposure to significant risks.
Medium	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Low	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed or potential opportunities for management to improve the operational efficiency and/ or effectiveness of the system.

SUMMARY OF FINAL AUDIT REPORTS Q2 2022-23

RIGHT TO BUY**Key Findings**

Areas of positive assurance identified during the audit:

- Procedures incorporate key information relating to timescales associated with legislation governing the RTB process.
- RTB sales income has been collected and correctly accounted for.
- There is a Housing Tenancy Fraud Policy which includes RTB fraud.
- Charges and restrictions are placed on properties at point of sale to ensure the authority are aware of any future sales within the 10-year period following the right to buy sale.

The main areas identified for improvement are:

- Adherence to RTB legislative time scales.
- Evidencing of RTB application verification checks.
- Calculation of cost floor.
- Checking and verification of discount calculations.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1.The RTB procedure document should be updated to reflect the changes to procedures following migration to the new housing system (QL). The procedures should then be reviewed / updated on a regular basis.	Medium	Agreed and work is already underway with some system issues needing to be resolved before it can be finalised. Procedure document to be reviewed bi-yearly.	Housing Management Team Manager / Senior Housing Assistant	31.12.2022
2. RTB applications are monitored to ensure legislative timescales are met.	High	Agreed. Housing Assistants to schedule dedicated time for Right to Buy application processing each week and some sampling to be completed. Possible impact on call handling to be managed to understand if Right to Buy process is being applied efficiently. Yearly application number of Right to Buys are low. The cancellation and rearranging of property valuations is at the tenants request directly with the independent valuers which we have little control over. The valuers are scheduling in a timely way, and this is discussed at contract review meetings.	Housing Management Team Manager / Senior Housing Assistant	31.10.2022
3. The letter acknowledging receipt of the RTB1 (application) should be updated to include the date the application was accepted as complete.	Medium	Agreed	Housing Management Team Manager / Senior Housing Assistant	Completed
4. Standard letters should be updated to include action which is available to purchasers should there be delays by the council with processing their RTB application.	Low	Agreed	Housing Management Team Manager / Senior Housing Assistant	Completed
5. The current requirements to verify RTB applicants should be reviewed to ensure that sufficient checks are being carried out. All verification checks should be documented with evidence retained to confirm that checks have taken place.	High	Agreed. Additional checks to be undertaken by authorising officer. New checklist created. Team to be advised that any checks undertaken should be evidenced in the RTB folder. Signature check and property inspection to be undertaken at the beginning of the process (pre RTB2) to add an additional layer of checks. The Right to Buy process should be programmed into the new IT system. RTB applications cannot progress to the next stage in the process unless the required checks are completed and verified. The system will record an effective audit trail.	Housing Management Team Manager / Senior Housing Assistant	Completed Completed 31.12.2022

6.Details of those officers who have completed and checked the discount calculation should be clearly recorded on the discount calculator.	Medium	This is a transition issue from paper RTB files to electronic files. Confirmation will have been provided by reply e-mail. Electronic signatures have been added in more recent cases. A new checklist has been created which will require electronic signature to be confirmed.	Housing Management Team Manager	Completed
7.Details of all evidence used to support discount calculations should be held on the electronic file. Where paper documents have been used these should be scanned and saved to the electronic file.	Low	Agreed. Team to be advised of the requirement. A new checklist has been created which will require this check to be completed.	Housing Management Team Manager / Senior Housing Assistant	Completed Completed
8.A cost floor calculation should be carried out for all RTB properties.	Medium	Agreed. Training to be provided to officers on calculating the cost floor. A new checklist has been created which will require this check to be completed as part of the authorisation process.	Housing Management Team Manager / Senior Housing Assistant	31.12.2022. Completed
9.All evidence used in calculating the sale price of the property should be provided to the officer checking the calculation.	High	Agreed. A new checklist has been created which will require this check to be completed as part of the authorisation process.	Housing Management Team Manager	Completed
10.The error in the calculation should be reviewed and a decision made as to what action should be taken.	High	Agreed. Legal advice will be sought, and appropriate action undertaken. It should be noted that there was no loss of income for the council.	Housing Management Team Manager / Senior Housing Assistant	31.12.2022
11.Consideration should be given to subscribing to the NFI AppCheck module to assist with the prevention and detection of fraud	Medium	Agreed. We will investigate the use of the NFI AppCheck module. A trial of the NFI AppCheck is already in progress, the outcomes of this to be reported to Internal Audit.	Housing Management Team Manager / Principal Housing Management Team Leader.	Completed.

2022/23 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 30.09.2022	Comments
Achievement of the Internal Audit Plan	25%	1 final audit report issued, certification work has been completed and 3 audits in progress.
Quarterly Progress Reports to Management Team and Audit and Standards Committee	On track	
Follow up testing completed in month agreed in final report	On track	
Annual Opinion Report - July 2021 Audit and Standards Committee Meeting	Achieved	
100% Customer Satisfaction with the Internal Audit Service	100%	Based on 1 for 22/23.
Compliance with Public Sector Internal Audit Standards	Conforms	External inspection carried out w/c 30 th November 2020 which confirmed that we conform with the Public Sector Internal Audit Standards.



INTERNAL AUDIT CHARTER

North West Leicestershire District Council

Version Control

Author	Date	Action
Lisa Marron Audit Manager	May 2020	Aligned Charter for all authorities.
Lisa Marron Audit Manager	September 2021	Reference to Seven Principles of Public Life added. Section 13 changed from Consulting and Advisory work to Nature of Services, assurance definition added (13.1) and the purpose of our work explained (13.2). 9.4 added to confirm approach to work for organisations outside of the shared service.
Kerry Beavis Audit Manager	September 2022	No changes required.

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1 Introduction

- 1.1 The Accounts and Audit Regulations 2015 place a statutory duty on the Council to undertake an internal audit of the effectiveness of its risk management, control and governance processes. The Accounts and Audit Regulations 2015 also require that the audit takes into account public sector internal auditing standards or guidance.
- 1.2 The Public Sector Internal Audit Standards (PSIAS), Attribute Standard 1000, require that the purpose, authority and responsibility of the internal audit activity are formally defined in an internal audit charter (hereafter referred to as the Charter), consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing). The chief audit executive is required to periodically review the Charter and present it to senior management and the 'board' for approval. Final approval of the Charter resides with the 'board'.
- 1.3 The Charter establishes the Internal Audit activity's position within the Council, including the nature of the chief audit executive's functional reporting relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

2 Definitions

- 2.1 In line with the PSIAS:

"Internal auditing is 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."

- 2.2 For the purpose of this charter the following definitions shall apply:

The Board – the governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. At this Council this shall mean the Audit and Governance Committee.

Senior Management – those responsible for leadership and direction of the Council. At this Council this shall mean the Corporate Leadership Team.

Chief Audit Executive – the person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the PSIAS. The Chief Audit Executive or others reporting to the Chief Audit Executive will have appropriate professional certifications and qualifications. At this Council the Chief Audit Executive is the (Shared Service) Audit Manager.

3 Mission and Purpose of Internal Audit

- 3.1 In line with the PSIAS the mission of Internal Audit is:

"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight."

- 3.2 The purpose of Internal Audit is to review, appraise and report on the adequacy of risk management, control and governance processes across the Council.

4 Professionalism

- 4.1 The Internal Audit activity will govern itself by adherence to the PSIAS. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.
- 4.2 The service, and individual staff, will be governed by the Code of Ethics of the relevant professional bodies of which they are a member in addition to the Core Principles for the Professional Practice of Internal Auditing and the Code of Ethics from the International Professional Practices Framework. The Core Principles are:
1. Demonstrates integrity.
 2. Demonstrates competence and due professional care.
 3. Is objective and free from undue influence (independent).
 4. Aligns with the strategies, objectives and risks of the organisation.
 5. Is appropriately positioned and adequately resourced.
 6. Demonstrates quality and continuous improvement.
 7. Communicates effectively.
 8. Provides risk-based assurance.
 9. Is insightful, proactive, and future-focused.
 10. Promotes organisational improvement.
- 4.3 Internal Auditors who work in the public sector must also have regard to the Committee on Standards in Public Life's Seven Principles of Public Life, information on which can be found at www.public-standards.gov.uk.

5 Scope of Internal Audit

- 5.1 There are no restrictions placed upon the scope of Internal Audit's work. Internal Audit work will usually include, but is not restricted to:
- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
 - evaluating and appraising the risk associated with areas under review and making proposals for improving the management of risks;
 - appraising the effectiveness and reliability of the risk management framework and recommending improvements where necessary;
 - assisting management and members to identify risks and controls with regard to the objectives of the Council 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 Council 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 and programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned; and
- reviewing the operations of the Council in support of the Council's Anti-Fraud and Corruption policy.

6 Authority of Internal Audit

6.1 Internal Audit derives its authority from the Accounts and Audit Regulations 2015, this Charter and the Council's Constitution. Internal Audit staff have the authority to:

- enter any Council owned or occupied premises or land at all reasonable times (subject to any legal restrictions outside the Council's control);
- have access at all times to the Council's records, documents and correspondence;
- require and receive such explanations from any employee or member of the Council as he or she deems necessary concerning any matter under examination; and
- require any employee or member of the Council to produce cash, stores or any other Council owned property under their control.

6.2 The Audit Manager shall have access to, and the freedom to report in his/her name to all boards, members or officers, as he/she deems necessary.

6.3 All employees and members are requested to assist the Internal Audit activity in fulfilling its roles and responsibilities.

7 Responsibility of Internal Audit

7.1 The Chief Audit Executive will be responsible for maintaining an adequate and effective internal audit function. The Internal Audit function will operate in accordance with the Public Sector Internal Audit Standards.

7.2 Internal Audit will have the responsibility to review, appraise and report as necessary on:

- the adequacy and effectiveness and application of internal controls, governance and risk management processes and systems;
- the extent of compliance with financial regulations and standing orders and approved policies and procedures of the Council plus the extent of compliance with external laws and regulation; and
- the extent to which the Council's assets and interest are accounted for and safeguarded from losses of all kinds arising from waste, inefficient administration, poor value for money, fraud or other cause.

8 Reporting Lines

8.1 Day to day management of the Internal Audit team will be performed by the Chief Audit Executive. The Chief Audit Executive reports to the Board for organisational purposes but will report significant audit findings and audit progress directly to the Section 151 Officer. The Chief Audit Executive will keep the Section 151 Officer and the Board informed of progress and developments on a regular basis.

- 8.2 The Internal Audit team is employed by North West Leicestershire District Council and sits within the Legal and Commercial Services Team reporting to the Head of Legal and Commercial Services.
- 8.3 The Chief Audit Executive has free and unfettered access to the Chief Executive, Section 151 Officer, Monitoring Officer and Chair of the Audit Committee. The Chief Audit Executive will communicate and interact directly with the Board, including in and between Board meetings as appropriate.

9 Independence and Objectivity

- 9.1 Internal Auditors must be sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice. Internal Auditors must maintain an unbiased attitude that allows them to perform their engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that Internal Auditors do not subordinate their judgement on audit matters to others.
- 9.2 To achieve the degree of independence and objectivity necessary to effectively discharge its responsibilities, arrangements are in place to ensure the Internal Audit activity:
- retains no executive or operational responsibilities;
 - operates in a framework that allows unrestricted access to senior management and the Board;
 - reports in their own name;
 - rotates responsibilities for audit assignments (where possible) within the Internal Audit team;
 - completes individual declarations confirming compliance with rules on independence and conflicts of interest; and
 - has a planning process which recognises and addresses potential conflicts of interest through Internal Audit staff not undertaking an audit for at least two years in areas where they have had previous operational roles.
- 9.3 If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to senior management and the Board. The nature of the disclosure will depend upon the impairment.
- 9.4 There may be times when Internal Audit are asked to provide audit services for other organisations outside of the shared service. The nature of this work will be formally set out and agreed in advance and, in line with the shared service inter-authority agreement, all partners will be consulted to ensure there are no conflicts of interest or objections to the work.

10 Accountability

- 10.1 The Chief Audit Executive shall be accountable to the Board and the S151 Officer for:
- providing, at least annually, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control;
 - reporting significant issues related to the processes for controlling the activities of the Council and its affiliates, including recommendations and status of implementation of improvements;

- periodically providing information on the status and results of the annual audit plan and the sufficiency of the Internal Audit's function's resources; and
- co-ordination with other significant assurance functions.

11 Internal Audit Resources

- 11.1 The Chief Audit Executive will be professionally qualified (CIMA, CCAB or equivalent) and have wide Internal Audit and management experience, reflecting the responsibilities that arise from the need to liaise with Members, senior management and other professionals, both internally and externally.
- 11.2 The Head of Finance (Section 151 Officer) will provide the Chief Audit Executive with the appropriate resources necessary to fulfil the Council's requirements and expectations as to the robustness and scope of the Internal Audit opinion.
- 11.3 The Chief Audit Executive will ensure that the Internal Audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the audit plan.
- 11.4 The annual plan will identify the resources required to complete the work, thereby highlighting sufficiency of available resources. The Chief Audit Executive can propose an increase in audit resource or reduction in the coverage if insufficient resources are available.

12 Management Responsibilities

- 12.1 An Internal Audit service can only be effective if it receives the full co-operation of management. By approving this Internal Audit Charter the Board and Senior Management are mandating management to co-operate with Internal Audit in the delivery of the service by:
- agreeing audit engagement plans no later than the agreed deadline, to include agreements on duration, scope, reporting and response;
 - sponsoring each audit at senior management level;
 - providing Internal Audit with full support and co-operation, including complete access to all records, data, property and personnel relevant to the performance of their responsibilities at all levels of operations, without unreasonable delay;
 - responding to the draft internal report, including provision of management responses to recommendations, within the timescale requested by the audit team;
 - implementing agreed management actions in accordance with the agreed timescales; and
 - updating Internal Audit with progress made on management actions, informing Internal Audit of proposed changes and developments in processes and systems, newly identified significant risks and cases of a criminal nature.
- 12.2 Whilst the annual Internal Audit report is a key element of the assurance framework required to inform the Annual Governance Statement, there are also a number of other sources from which those charged with governance should gain assurance. The level of assurance required from Internal Audit will be agreed with the Board at the beginning of the year and presented in the annual Internal Audit plan (and subsequent agreed amendments). As such, the annual Internal Audit opinion does not replace responsibility of those charged with governance from forming their own overall opinion on internal controls, governance arrangements, and risk management activities.

13 Nature of Services

13.1 The Public Sector Internal Audit Standards define assurance as

“An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation. Examples may include financial, performance, compliance, system security and due diligence engagements.”

13.2 In general the main purpose our work will be to provide assurance services to report to the shared service Councils and their Audit Committees. There may be times when our assurance is required by others for example it may be relied upon by partners of the shared service Councils or by Central Government for grant certification work. In all cases this will be clearly set out through engagement plans or grant declarations as appropriate.

13.3 The Public Sector Internal Audit Standards allow that Internal Audit may sometimes be more usefully focussed towards providing advice rather than assurance of core controls. Where appropriate, Internal Audit will act in a consultancy/advisory capacity by providing guidance and advice for strengthening the control environment, providing:

- the objectives of the consulting/advisory engagement address governance, risk management and control processes to the extent agreed upon with the Council;
- the scope of the consulting/advisory engagement has been clearly defined;
- Internal Audit is considered to have the rights skills, experience and available resource;
- management understand that the work being undertaken is not Internal Audit work; and
- Internal Audit's involvement will not constitute a conflict of interest in respect of maintaining an independent stance, and Internal Audit will not assume a management role in providing this advice.

13.4 When performing consultancy/advisory services, the auditor must maintain objectivity and not take on a management responsibility. The Chief Audit Executive is responsible for ensuring that all requests are reviewed in accordance with the above criteria and for making the final decision. The role which Internal Audit will assume on any particular advisory assignment will be agreed with the sponsor, will be documented within the assignment plan, and reported to the Board.

14 Role of Internal Audit in Fraud-Related Work

14.1 The primary responsibility for maintaining sound systems of internal control including arrangements to prevent and detect fraud and corruption lies with senior management. An annual programme of internal audits is designed to assist this process by highlighting areas where controls are inadequate or are not operating.

14.2 All fraud investigations will be conducted in accordance with the Council's Constitution, Anti-Fraud and Corruption Policy and the Confidential Reporting (Whistleblowing) Policy.

14.3 All cases of suspected fraud and/or irregularity should also be reported to the Chief Audit Executive, with the exception of benefit fraud which should be reported to the Department of Work and Pensions. This is to ensure that appropriate action is taken and to enable the Chief Audit Executive to fully answer External Audit queries relating to the International Standard on Auditing (ISA) 240 “The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements”.

15 Relationships

15.1 The Chief Audit Executive and Internal Audit staff are involved in a wide range of relationships and the quality of those relationships impact on the quality of the audit function and the effective delivery of that function.

- **Relationships with Management**

The Chief Audit Executive and Internal Audit staff will maintain effective relationships with managers of the Council. Regular meetings will be held with key stakeholders and management will be consulted with during the audit planning process. Timing of audit engagements will be in conjunction with management.

- **Relationships with External Audit**

Internal Audit have an established working relationship with the current external auditors which includes periodic meetings and plans and reports are shared.

- **Relationships with Regulators and Inspectors**

The Chief Audit Executive and Internal Audit staff will take account of the results and reports from any inspections when planning and undertaking Internal Audit work. Where appropriate the Chief Audit Executive will establish a dialogue with representatives of the appropriate inspection agencies.

- **Relationships with Elected Members**

The Chief Audit Executive will establish a working relationship with members, in particular members of the Audit and Governance Committee. The Chief Audit Executive has the opportunity to meet with the Chair of the Audit and Governance Committee if required.

16 Quality Assurance

16.1 The Public Sector Internal Audit Standards require that the audit function is subject to a quality assurance and improvement programme that must include both internal and external assessments. The results are included in the Internal Audit Annual Report.

16.2 Internal Assessments

All Internal Audit engagements are subjected to a thorough internal peer review of quality, to ensure that its work meets the standards expected from the Internal Audit staff. For example, the internal file quality reviews cover the following:

- the work is planned and undertaken in accordance with risks associated with areas under review;
- sampling is undertaken in accordance with the agreed methodology; and
- the conclusions are fully supported by detailed work.

16.3 Internal Audit performance is also monitored in the following ways:

- quarterly progress reports to the Board and senior management team;
- customer satisfaction surveys following each audit;
- monthly meetings with the Head of Finance (S151 Officer); and
- monthly meetings with the Head of Legal and Commercial Services.

16.4 External Assessments

An external assessment must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The Chief Audit Executive will discuss options for the assessment with senior management including the S151 Officer and the Board.

17 Records Retention

- 17.1 Audit engagement records will be retained for six years. This is in line with Local Government Association guidance.

18 Review

- 18.1 The Internal Audit Charter will be reviewed annually by the Chief Audit Executive and presented to Senior Management and the Board for approval if any significant changes are identified.