

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 19 March 2024
Report for: Approval
Report of: Audit and Assurance Manager

Report Title

Audit and Assurance Service – Internal Audit Operational Plan 2024/25

Summary

The purpose of the report is to provide, at a high level, the proposed Internal Audit Operational Plan for 2024/25.

The report sets out planned work for the year but acknowledges that this remains flexible and subject to review as needed during the year.

The report also includes, in the appendices, the Internal Audit Charter and Strategy. These were previously presented to CLT and the Accounts and Audit Committee in March 2023 and since then, an update has been made to the Internal Audit Charter to reflect changes in line management reporting with the Counter Fraud function transferring from Exchequer Services to Audit and Assurance in July 2023. This is reflected in Sections 4.1 and 8.1 of the Internal Audit Charter.

Recommendation

The Accounts and Audit Committee is asked to approve the 2024/25 Internal Audit Plan.

Contact person for access to background papers and further information:

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Background Papers: None

Background Information

Implications:

Relationship to Corporate Priorities	The scope of the work of Internal Audit may cover all of the Council's corporate priorities.
Relationship to GM Policy or Strategy Framework	Where appropriate, Internal Audit will liaise with GM partners and where applicable, undertake joint working in carrying out planned work.
Financial	<p>In accordance with the Accounts and Audit Regulations 2015, it is a requirement that the Council "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." The Audit and Assurance Service must undertake its work in accordance with the Public Sector Internal Audit Standards (PSIAS).</p> <p>The work of internal audit may cover a diverse range of service areas, functions and areas of risk covering both financial controls and wider aspects of internal control, risk management and governance.</p>
Legal Implications	See Financial Implications
Equality/Diversity Implications	Not directly applicable to this report
Sustainability Implications	Not directly applicable to this report
Carbon Reduction	Not directly applicable to this report
Staffing/E-Government/Asset Management Implications	Not directly applicable to this report
Risk Management Implications	See Financial Implications
Health and Safety Implications	Not directly applicable to this report



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COUNCIL

Internal Audit Operational Plan 2024/25

Date: March 2024

1. Introduction

- 1.1 The 2024/25 Internal Audit Operational Plan identifies the work to be undertaken by the Audit and Assurance Service during the year. This report describes its method of compilation and presents, at a high level, the 2024/25 Plan for approval.

2. Background

- 2.1 There continues to be significant ongoing challenges faced by local authorities in delivering effective services with limited resources, particularly with prolonged inflationary pressures and demands on services. This highlights how important it is that local authorities manage resources effectively, manage risks and consider opportunities to help achieve the corporate priorities. As part of this, councils need to ensure effective governance arrangements, systems and controls are in place to ensure value for money is achieved and the risk of fraud or error is minimised. Internal Audit work aims to support the organisation by providing independent review of systems, processes and controls and provides a mechanism for identifying improvement actions required by the organisation.
- 2.2 Each year the Audit and Assurance Service sets out its annual internal audit plan for review by the Corporate Leadership Team (CLT) and approval by the Accounts and Audit Committee. Subsequent updates are then provided to CLT and the Accounts and Audit Committee through the year highlighting the work undertaken and progress against key areas of the plan. Actual work undertaken during the year against work planned is set out in the Annual Head of Internal Audit Report.
- 2.3 Whilst this Plan covers a full year, it is acknowledged that there must be flexibility and where needed it will be revised during the year to take account of changes. This will be reflected in further updates during the year.
- 2.4 In accordance with the Accounts and Audit Regulations 2015, it is a requirement that the Council “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.” The Audit and Assurance Service must undertake its work in accordance with the Public Sector Internal Audit Standards (PSIAS).
- 2.5 The Audit and Assurance Service’s approach to undertaking internal audit work is set out in the following documents:
- Internal Audit Charter (This defines the purpose, authority and principal responsibilities of Internal Audit – See Appendix 3)

- Internal Audit Strategy (This details the arrangements in place to deliver internal audit so as to ensure that the objectives of the Audit and Assurance Service are met and the scope of it understood – see Appendix 4).
 - Quality Assurance Programme (This sets out how the Service monitors its work to ensure adherence with standards; that it operates in an effective and efficient manner; and through its work adds value to the organisation – See Appendix 5).
- 2.6 In respect of the above, the Internal Audit Charter has been updated to reflect service reporting changes during 2023/24 with the Counter Fraud Team transferring to the Audit and Assurance Service in July 2023. The Charter, Strategy and Quality Assurance Programme are expected to be reviewed further to take into account future expected changes in the Public Sector Standards by the end of 2024/25.

3. Compilation of the Internal Audit Plan

- 3.1 The Operational Internal Audit Plan is produced to take into account coverage of risks and associated controls in place. At the end of the year an audit opinion is given as to the overall adequacy and effectiveness of the Council's control environment, which encompasses internal control, risk management and governance. An important consideration is that the plan should include good coverage across the Council's services and systems.
- 3.2 A number of factors are taken into account in compiling the plan based on statutory obligations, the Council's corporate priorities and an assessment of risks. Factors such as materiality, business risks, inherent risks and time since the area was last reviewed are taken into account.
- 3.3 The Internal Audit Plan takes account of risks in relation to financial resilience with reviews covering financial systems and budgetary control (See 5.2). Time will also be allocated to review strategic risks relating to cyber security and information governance (See 5.7).
- 3.4 There is audit coverage across the Council's Corporate Directorates to reflect the Council's corporate priorities set out in the Corporate Plan and areas of strategic and operational risk. For instance, a variety of service audits are included within the Plan (as referred to in Section 5.9). The Corporate Directorates provide input to the plan through liaison with the Audit and Assurance Service throughout the year and through information provided such as through risk registers, action plans, self-assessments and control / governance issues raised.
- 3.5 The Audit and Assurance Service has a number of obligations to take into account in producing the plan. This includes time set aside for the Service to work with CLT to facilitate reporting and provide review of the Council's Strategic Risk Register (See 5.4) and input to the review of the Council's

Annual Governance Statement (5.3). A specific category of audit time is also included to reflect the requirement for internal audit checks of information supporting particular grant claims. (See 5.10).

- 3.6 The risk of fraud and corruption is considered as part of planning a wide range of audits and also dedicated work in relation to fraud risks takes place. This will include continuing to co-ordinate, with other teams, the Council's work in relation to the National Fraud Initiative (See 5.5). For 2024/25, this will include reporting on final outcomes from previous NFI exercises as well as submitting relevant data as part of the forthcoming exercise later in 2024.
- 3.7 There is a programme of planned audits in place of the Council's maintained schools which includes providing assurance that schools are operating in accordance with the Schools Financial Value Standard (See 5.8).
- 3.8 Plans take into account other audit, assurance or development work being undertaken in particular areas. This includes audit work by the External Auditor. Where applicable, plans also consider possible support in relation to other external inspection e.g. Ofsted and Care Quality Commission. Where appropriate, account will also be taken of other internal reviews which may relate, for instance, to work in relation to the Council's Finance and Change Programme and also the work of Scrutiny. Where appropriate, the Internal Audit Plan will be revised through the year.
- 3.9 Plans include co-ordination with partners to provide assurance. This includes ongoing liaison with other Internal Audit sections as part of the STAR Shared Procurement Service to co-ordinate planned work (Where appropriate, Audit will liaise with other Internal Audit teams in other Authorities). Consideration of governance and controls in relation to the Council's joint ventures are also reflected in planning (See 5.6).
- 3.10 Time is allocated to follow up on control issues previously raised in 2023/24, including previous audit review work, to assess progress in implementing action plans, particularly where areas for improvement in controls have been identified. The plan highlights a number of follow up audits.
- 3.11 The amount of time available to undertake the annual plan is identified, and individual areas of work selected taking into account the above factors. A contingency is also held to allow for unforeseen circumstances, including additional work or a reduction in available staffing resources.
- 3.12 For reporting and monitoring purposes the plan is divided into a number of categories, but it should be noted that there are significant areas of overlap between them.

- 3.13 There are a variety of activities undertaken to fulfil the plan and in addition to conducting internal audit reviews which result in the issuing of audit reports, work may also include issuing guidance and advice, providing input to council policies and procedures and providing input to project / working groups (See 5.11). The Service also facilitates the production of a number of corporate reports presented to the Accounts and Audit Committee.
- 3.14 The report does not include reference to all work to be undertaken during the year. As issues are raised or areas of risk are identified on an ongoing basis, other areas are included through the year and existing plans reviewed. For some areas, further elements of planning may take place during the year and therefore detailed plans are not available at the commencement of the year. For instance, plans in relation to IT and procurement audits are currently being developed during March 2023. Regular updates to CLT and the Accounts and Audit Committee will include reference to new work included in the work plan through the year. The plan is flexible and during the year adjustments may be made to accommodate any changes in the control environment and to consider emergent risks. Supporting the plan set out in this report are further plans detailing work allocated to individual staff.
- 3.15 Time is set aside for the completion of reviews which had been included as part of the 2023/24 Plan. Work completed or in progress in 2023/24 and work carried forward to 2024/25 will be reflected in the Annual Head of Internal Audit Report to be completed by June 2024. For some reviews, suggested timing during the year has been agreed and where applicable, this is indicated in the report. There are also other reviews that have been considered as part of audit planning which are expected to be undertaken in 2025/26.
- 3.16 Assumptions in respect of available audit days are considered to provide the total planned days. For 2024/25, there are 840 available operational audit days based on internal staffing resources plus resources purchased from Salford Internal Audit Services of up to 50 days to undertake ICT audit work. There are currently 2 vacant posts within the Audit and Assurance Service and in planning available resources, this is based on these posts being filled from October 2024.
- 3.17 In addition to the 840 planned days shown, it should be noted that further time is allocated for a number of other activities undertaken that are not reflected in the analysis as they are not attributable to one particular category of work but support the audit process. These include support to the Accounts and Audit Committee, liaison with the External Auditor (Mazars), development of audit systems, procedures and guidance, networking with other North West Internal Audit groups to share good practice, information gathering in support of the production of the audit plan etc. Separate additional time allocations are given to individual staff to undertake these activities.

4. Reporting / Performance Monitoring

- 4.1 Through the year, progress updates will be provided to CLT and the Accounts and Audit Committee (through periodic updates and the Annual Head of Internal Audit Report) which will refer to details of the performance and impact of audit and progress against the plan. This will include details of:
- Actual progress made against planned work for each category of the Audit Plan.
 - Number of audit reports issued against that planned. For Quarter 1, a target of 6 audit reports (comprising opinion reports, consultancy reports and grant sign-offs) to be completed to final or draft stage. Targets for the remainder of 2024/25 to be set out in the Q1 Audit and Assurance update. (See Appendix 1 for planned reports to be issued during 2024/25 and early 2025/26).
 - Updates on significant work completed, not included in the 2024/25 Internal Audit Plan.
 - The impact of audit recommendations made in terms of both initial acceptance and also implementation (the latter identified through follow up audit work).
 - A summary of feedback from managers in respect of client surveys, which is detailed in the Annual Head of Internal Audit Report.
- 4.2 Where reviews or other key areas identified in the 2024/25 Plan are not undertaken as scheduled, this will be reported in subsequent updates including in the 2024/25 Annual Head of Internal Audit Report.
- 4.3 Updates through the year will also include commentary on Audit resources available if there are issues that may impact on completion of the plan.

5. Internal Audit Plan Coverage 2024/25

- 5.1 The plan is compiled to ensure coverage across a wide and diverse range of areas of risk in relation to services, systems and thematic areas of coverage. Each of the main categories of work is described in the paragraphs below.

In Appendix 1, there is a summary of the planned work and an estimated time is allocated to each category. It includes a listing of audit reports to be issued. This also indicates reviews where reports are expected to be issued in quarter one of 2024/25.

In Appendix 2, there is an explanation of the audit opinion levels. These have been established in line with guidance from CIPFA.

5.2 Financial Systems

Audit coverage includes review of core financial systems that provide key inputs for the production of the material balances in the Council's accounts. Previous assurance obtained in earlier audits will be taken into account in planning the level of audit coverage within individual reviews.

There continues to be significant challenges in managing risks relating to the Council's financial position and this is reflected as one of the Council's highest strategic risks. Ongoing assurance will be sought on the management of financial risks and where appropriate audits will consider actions to address such risks.

Coverage will include review of the following systems during the year:

- Payroll - Review of systems, procedures and internal controls, including review of progress regards any issues covered in previous audits. This is expected to commence in Quarter 3 of 2024/25.
- Budgetary Control - Review rescheduled from the 2023/24 Plan of budgetary control processes to include coverage of previous agreed improvement actions and consideration of good practice.
- Accounts Payable - Further review expected to commence in the final quarter of 2024/25 to include covering reviews of changes in processes since the previous review and further progress made in addressing previous recommendations, as reported in 2023/24.
- Purchase Cards – Further review expected around Quarter 3 or 4 of systems in place following the change in card provider from RBS to Lloyds, which will include review of progress in respect of previous audit recommendations.
- Accounts Receivable - a review is currently in progress to provide advice on possible system improvements, taking into account a survey of system users. An advisory report will be produced by Q1 2024/25.
- Council tax - Review expected to commence around March 2025 covering systems, procedures and internal controls, including taking account of any changes in processes since the last review completed in 2022.

In relation to Adult Social Care:

- A draft report covering Adult Social Care Payments (Liquid Logic/ContrOCC system) has been produced in 2023/24 and is due to be finalised with agreed management responses. Once finalised, further related work will be considered for 2024/25.

In relation to Children's Services:

- A draft report covering Children's Social Care Payments (Liquid Logic/ContrOCC system) was produced in 2023/24 and is due to be finalised with agreed management responses. Once finalised, any further related work will be considered.

Time will also be set aside for other issues and developments arising in respect of financial systems where further audit input or advice may be appropriate. Audit and Assurance will also consider other sources of assurance including updates from Financial Management, assessments against the CIPFA Financial Management Code and findings from the External Auditor. Where applicable, any updates to the Plan will be agreed with the Section 151 Officer.

5.3 Governance

Audit and Assurance will continue to provide a role in reviewing the compilation of the Council's Annual Governance Statement (AGS). The AGS is required to be produced in accordance with the Accounts and Audit Regulations 2015 and is collated and produced by Legal and Governance.

Audit and Assurance will provide feedback where appropriate on the process for the production of the 2023/24 AGS including commenting on the content of the draft AGS with reference to the CIPFA/SOLACE Governance framework and guidance. Audit and Assurance will also provide assurance as required to be reflected in the AGS.

It is anticipated that updated guidance on the AGS will be published by CIPFA later in 2024/25 and Audit will consider details in liaison with Legal and Governance regards the production of the AGS for future years.

It should be noted that within other sections of this report, planned audit work also includes reviewing developments in relation to a number of significant governance issues highlighted in the 2022/23 AGS such as audit coverage in relation to information governance and financial management.

Time may also be used in the plan to provide internal audit input to reviewing other governance issues across the Council, including issues within the Council and through joint ventures and other partnerships.

Where appropriate, Audit will liaise with partner organisations and time will be allocated for any assurance required to be provided in relation to Greater Manchester (GM) wide issues. This may include liaison with counterparts in other GM Councils, the Greater Manchester Combined Authority (GMCA), NHS and other organisations.

5.4 Risk Management

Time is allocated to review existing risk management arrangements across the Council and ensuring processes are evidenced. This will include continuing to facilitate the ongoing update of the Strategic Risk Register. This provides assurance in respect of the highest strategic risks faced by the Authority in terms of the management and ongoing monitoring and mitigating actions for those risks - Risks such as in relation to financial resilience, climate change, safeguarding responsibilities, cyber security, information governance, and in relation to the management of joint venture arrangements.

Audit will continue to review the effectiveness of reporting processes for the strategic risk register and where appropriate provide suggestions or recommendations for consideration by CLT.

An internal audit report covering the Council's business continuity arrangements, was issued in January 2023. This included an action plan to further develop arrangements in place. This issue has continued to be reported as a strategic risk during 2023/24 and through 2024/25, Audit will continue to liaise with the Place Directorate to monitor progress regards the action plan.

In respect of another strategic risk, an audit of corporate health and safety processes was completed in June 2023 with a Substantial level of assurance provided and in 2024/25, agreed actions from this review will also be followed up.

Issues in relation to other areas of strategic risk are also reflected in audits within this plan within other sections of the report. In addition, during the year as part of ongoing audit planning, there will be consideration of other audit work directly covering strategic risk areas and work may be added to this year's Plan or included in future plans.

In terms of corporate risk management, the Service maintains corporate risk management guidance, available on the Council's intranet, which where applicable will be further updated during the year.

5.5 Anti-Fraud & Corruption

Fraud and corruption risks are considered as part of audit planning for individual audit reviews and where appropriate recommendations are made to reduce the risk of fraud.

The Service will continue to support the National Fraud Initiative (NFI), the national data-matching exercise, co-ordinated by the Cabinet Office, designed to help participants identify possible cases of error or fraud. Audit will liaise with other services to ensure the Council provides data in accordance with the requirements of the NFI 2024/25 exercise. The

Service will also co-ordinate any reporting of outcomes from existing exercises and will reflect details in the 2023/24 Annual Head of Internal Audit Report.

Specific cases of suspected internal fraud or theft referred to the Audit and Assurance Service will be subject to investigation during the year.

The Internal Audit and Counter Fraud teams within the Audit and Assurance will continue to work with other services as required to review policies and guidance in relation to the Anti-Fraud and Corruption Strategy, and where applicable publicise any updates to these as appropriate. This will include updating guidance on the existing Audit and Assurance intranet site.

5.6 Procurement / Contracts / Value for Money

Audit and Assurance undertakes reviews of procurement arrangements and processes to ensure the Council strives to achieve value for money and undertakes procurement in accordance with relevant legislation and the Contract Procedure Rules.

As part of internal audit planning in relation to the STAR Shared Procurement Service, Audit liaises with both STAR and the Internal Audit sections of the other partner authorities (Stockport, Rochdale, Tameside, Knowsley and St Helens Councils). Audit plans are agreed and relevant findings shared to ensure a co-ordinated audit process. As at the time of this report being issued, planned audit review work for 2024/25 was subject to discussion with details to be finalised by the end of March 2024. As part of discussions, this will include:

- Consideration of any findings from a current review of STAR's income collection processes to ensure there are adequate and effective processes in line with its charging policy. (Lead – Tameside Council)
- Further to recent developments in reporting arrangements, agreement to start an audit review in the first quarter of 2024/25 on processes within STAR to support reporting on the delivery of Social Value.
- Consideration of other audit review work during the year including issues in relation to the new Procurement Act. Any further planned audit work will be included in the Quarter 1 2024/25 Audit and Assurance update report.

During 2023/24, Audit has liaised with the Development and Estates Service and been provided with information to evidence governance arrangements and ongoing contract monitoring processes regards the joint ventures set up with Bruntwood, which form a key part of the Council's asset investment strategy. It is noted that the Service is conducting a contracts review and Audit will consider subsequent developments and agree any further coverage. This will take into account good practice guidance from CIPFA.

Plans for an audit of contract monitoring in relation to parking enforcement were rescheduled as a new contract is expected to be in place by April 2024 so an audit is planned for later in 2024/25.

Other review work across the Audit Plan, covered in other sections, includes consideration of aspects of procurement and contract monitoring. In respect of the One Trafford Partnership, there will be coverage of complaints processes alongside a review of corporate complaints procedures (see 5.9).

5.7 Information Governance (IG) / Information, Communications and Technology (ICT)

This block of work covers both ICT auditing as well as the review of information governance processes across the Council. Risks in relation to cyber security and information governance are monitored on the Council's strategic risk register.

The audit of ICT covers the review of procedures, processes and controls across a range of computer systems and technical solutions. Salford Internal Audit Services undertake a significant part of this work and also contribute to audit planning in respect of this area. At the time of this report, audit planning work for 2023/24 is in progress through liaison with IT and Digital. At present the following areas are being considered for future review:

- IT Disaster Recovery – a review of cloud and non cloud-based applications across services and how recovery is planned and prioritised in event of significant outages.
- Vulnerability Management - a review to determine how the identification, monitoring and reporting of IT environment vulnerabilities is managed.
- Cloud-based Access Management – how the authentication and access rights of users to systems, networks and data is managed (with focus on cloud-based usage).
- IT Asset Management – a review of the business practice involving management and optimisation of the purchase, deployment, maintenance, utilisation and disposal of IT assets within the Council.

Agreed coverage will be reflected in the Quarter 1 Audit and Assurance update.

Audit work also encompasses wider information governance aspects. Whilst assurance has been received through regular updates on the strategic risk register, a delay to internal audit reviews in this area had been agreed as the Information Governance function has been subject to a service review. It is agreed that planned audits will resume and initially it is expected that, later in 2024, there will be an audit review of processes to manage the risks of data breaches. This will include reviewing existing

processes and considering developments further to previous audit findings in this area reported in 2022.

Assurance on other aspects will be sought through strategic risk register updates such as in respect of actions to improve performance in processing Subject Access Requests; Freedom of Information requests and also developments in reviewing records management in the Council.

Later in the year, further planned audit work will be agreed. Audit will also consider the Council's assessment submitted for the mandatory NHS Data Security and Protection Toolkit to gain assurance and assist in future audit planning.

5.8 Schools

As part of the Schools Financial Value Standard (SFVS), schools are required each year to submit a declaration to show adherence to the Standard. The audit work programme takes into account the standards expected when evaluating the adequacy and effectiveness of internal controls, governance and risk management at individual schools. Information provided in SFVS assessments submitted is utilised by Audit and Assurance to assist in planning and undertaking school audits.

Audit will continue to liaise with relevant services, including Finance and Education Services, in relation to schools related issues including sharing findings and considering risk areas and future planned audit coverage.

It is planned during 2024/25, that at least 8 school audits will be completed in addition to further reviews commencing by the end of the year. Audit reports will be issued as part of each review.

School audit reviews undertaken in 2023/24 will be followed up to assess progress in implementing audit recommendations.

5.9 Assurance – Other Strategic and Service Risks

Time is allocated to reviewing risk areas derived from a number of sources not covered within other categories of the plan, including director's / senior managers' recommendations, risk registers and areas identified by the Audit and Assurance Service. Reviews may cover individual services, functions and authority wide issues and risks to ensure a broad coverage of audit work across the Council.

For service-related reviews, risks reviewed may encompass a number of areas of control such as procedures and responsibilities, adherence to legislation, budgetary control, Payroll/HR related processes, risk management, security (of cash, assets and data), expenditure, income collection and recording, data quality, performance monitoring, and information governance. Reviews may also include consideration of

performance improvements and benchmarking with other organisations, and coverage of other risks specific to the objectives of the service under review.

The following audit reviews from the 2023/24 Internal Audit Plan are expected to be in progress by the end of March 2024 with reports to be issued in early 2024/25:

- Catering Services (Strategy and Resources)
- Housing Standards (Place)

A number of audit reviews were originally scheduled to commence by the end of Q4 2023/24 but at the request of the relevant services have been rescheduled to start in 2024/25. These are as follows:

- Blue Badges (Strategy and Resources) - Audit to review systems, procedures and controls. The review will take place after the introduction of a new system, expected to be implemented by June 2024 and the review is planned for Q2 in 2024/25.
- Recruitment processes (Strategy and Resources) – New systems are being implemented during 2024 and an audit is planned to review these, starting in the final quarter of 2024/25.
- Section 106 / Community Infrastructure (Place) - Review of systems and controls in relation to the receipt of income or other benefits which are used to fund infrastructure to mitigate the effects of the development or improve facilities for the community.
- Tree Unit (Place) - review of risk management processes in place for managing the inspection and maintenance of trees. This will include consideration of the new system in place.
- Building Control (Place) - Audit to include systems and processes for dealing with Building Regulation applications.
- School Admissions (Children's Services) – Review of systems and controls in respect of Schools Admissions. Managing risks associated with the demand for school places is currently on the Council's strategic risk register. Review expected to commence around Q2 in 2024/25.
- Hayeswater Contact Centre (Children's Services) – Audit review of financial administration agreed to be undertaken in Q1 or Q2.
- Deprivation of Liberty Safeguards (Adults Services) – Work in relation to safeguarding processes covering systems and processes in place to ensure the Council has effective processes to meet statutory requirements. This review is likely to start around Q3.

Other audits included in the 2024/25 Plan are as follows:

- Corporate complaints (Strategy and Resources / Authority-wide) – Review of processes in place following the implementation of a new system in early 2024/25. The review will include coverage of central

processes as well as service level responses, which will include the One Trafford Partnership.

- Libraries Service review (Strategy and Resources) - Review to be undertaken of service-wide financial and administrative processes supporting the operation of individual libraries.
- Let Estates (Place) – Audit will undertake a review to assess processes in place further to developments that have been made in this area with the introduction of new systems and processes.
- Supporting Families Programme (Children’s Services) - Provide assurance on systems and process in line with requirements set out by the Greater Manchester Combined Authority.
- Care Leaver payments (Children’s Services) - Review to assess systems and controls in place supporting the administration of payments to care leavers, including consideration of any previous audit recommendations.
- Section 17 Payments (Children’s Services) – Review of processes for administering payments relating to purposes set out in Section 17 of the Children’s Act in relation to children in need and their families.
- Home to School Transport (Children’s Services) – review around Q3 2024/25 to include new systems in place for administering applications and for route management. Review will also include further follow up of previous audit findings.
- Adult Direct Payments (Adult Services) – A draft report was produced during 2023/24 and is to be finalised. Further work in this area will be considered later in 2024/25.
- Adaptations (Adult Services) – A report was previously issued in February 2023 and assurance will be obtained on progress regards previous recommendations.

For the above reviews, Audit and Assurance will contact individual services to agree the detailed scope of the reviews prior to any work being undertaken.

There will also be time allocated to follow up audits undertaken in 2023/24. This will include the following:

- Bereavement Services (Strategy and Resources)
- Cleaning Services (Strategy and Resources)
- Sale Waterside Arts Centre (Strategy and Resources)
- Outdoor Advertising (Place)
- Safety at Sports Grounds (Place)

Other audits may be added to the Plan during 2024/25 and as part of discussions with various services, other areas are being considered for audits in 2025/26.

5.10 Data Quality/Grant Claims

A block of time is included in the plan for review of grant claims and other data quality checks made through the year where the internal audit function is required as part of the review/sign off process.

There is expected to be a requirement for Audit input to sign off the 2023/24 grant claim in respect of the Disabled Facilities Grant and submit to the Department for Levelling Up, Housing & Communities.

Audit will be notified of other grant claims and returns to be checked at various stages during the year. Work actually completed will be reported in Audit updates through the year and in the Annual Head of Internal Audit Report.

5.11 Service Advice / Project support

The Audit and Assurance Service provides advice across the Council on governance, control and risk issues. In addition to areas listed elsewhere in this report, time is set aside for the provision of ongoing service advice. This may take the form of responses to ad hoc queries, issuing guidance, and liaison with services. It may include, for instance, support and advice as part of project groups and system boards and liaison with services in respect of the development of new systems, processes and associated controls. This could include for instance, consideration of issues arising from the Council's Finance and Change Programme.

There may also be time set aside to provide support in relation to preparation for external inspection. For example, Audit may provide some input in liaison with Adult Services ahead of any future CQC inspection.

The Audit and Assurance intranet site includes information on the role of Audit and associated guidance for services in respect of risk management, governance and anti-fraud and corruption. This will be updated where appropriate through the year.

Account will always be taken of the primary objective of Internal Audit to complete assurance work and approval would be sought from CLT and the Accounts and Audit Committee before any significant unplanned consultancy work is agreed which would impact on the Internal Audit Plan.

2024/25 Operational Audit Plan – Allocation in Days

Appendix 1

Category	Details	Impact of Audit and Assurance's work	Estimated Days
Financial Systems	<p>Coverage, includes audits of fundamental financial systems reviews as described in section 5.2:</p> <p>Advice in relation to consideration of new systems / system development.</p> <p>Audit Reports planned to be issued in 2024/25 include the following:</p> <ul style="list-style-type: none"> - Accounts Receivable (Strategy and Resources) - Payroll (Strategy and Resources) - Budgetary Control (Finance and Systems/Authority-wide) - Purchase Cards (Finance and Systems) <p>Other audits to commence in 2024/25 include:</p> <ul style="list-style-type: none"> -Accounts Payable (Finance and Systems) -Council Tax (Finance and Systems) -Other review work to be confirmed as part of finalising existing audits in relation to Adults and Children's Services. 	<p>Assurance on the operation of material business critical systems. Improvements in control environment supporting the achievement of corporate priorities, effective financial management, good governance and supporting the Council's position in respect of its external audit review.</p>	120

<p>Governance</p>	<p>Coverage as described in section 5.3:</p> <p>Corporate Governance / AGS (Legal and Governance) – to liaise with Legal and Governance, including providing comment on processes supporting the AGS, and its content with reference to the CIPFA/SOLACE Governance framework and guidance.</p> <p>Advice / assurance in respect of governance issues and ongoing liaison with services to consider further audit reviews.</p>	<p>Provision of assurance on the effectiveness of governance arrangements in place within the Council to support the achievement of Council objectives and priorities.</p> <p>The Annual Governance Statement provides assurance to the public on the effectiveness of governance arrangements and enables the establishment of corporate improvement priorities.</p>	<p>20</p>
<p>Corporate Risk Management</p>	<p>Coverage as described in section 5.4. includes:</p> <p>Facilitating, and reviewing the effectiveness of, the maintenance of the Council’s strategic risk register.</p> <p>Actions to support the Council’s Risk Management Strategy including provision of guidance, independent review of existing risk management arrangements and, where applicable, recommend areas for development.</p> <p>Follow-up of previous audit reviews to include:</p> <ul style="list-style-type: none"> - Business Continuity (Place/Authority-wide) - Health and Safety (Strategy and Resources) 	<p>Assisting the Council to review the effectiveness of risk management leading to improvements in service delivery, achievement of objectives and improvements in the allocation of resources. The work also supports the Council in evidencing good practice undertaken when subject to inspection and review.</p>	<p>50</p>

<p>Anti-Fraud & Corruption</p>	<p>Coverage as described in section 5.5:</p> <p>Co-ordinate the Council's activity in respect of the National Fraud Initiative in accordance with Cabinet Office requirements.</p> <p>Contributing to investigations of referred cases of suspected theft, fraud or corruption.</p> <p>Other work to support the Anti-Fraud and Corruption Strategy, including working with other relevant services to review existing strategy, policies and guidance.</p>	<p>Contributes to the maintenance of high standards of conduct and governance. Provides assurance on the management of the risks of fraud and corruption. Advice to services on the improvement of controls in place to reduce potential risks, e.g. financial loss and reputational damage.</p>	<p>80</p>
<p>Procurement / Contracts / Value for money</p>	<p>Coverage as described in section 5.6:</p> <p>Review of procurement / contract management arrangements including systems in place and associated arrangements to secure value for money (Work will include liaison with the STAR Procurement Service and partner authority auditors).</p> <p>Audit Opinion Reports to include: STAR:</p> <ul style="list-style-type: none"> - Social Value (Lead:Trafford Council)* - Other audits for 2024/25 to be confirmed and will be confirmed as part of the 2024/25 Q1 Audit and Assurance update. <p>Other:</p> <ul style="list-style-type: none"> - Parking Enforcement contract 	<p>Assurance and challenge on the adequacy of procurement arrangements. Contributes to improvements in service delivery and the achievement of value for money for the Council.</p>	<p>65</p>

<p>Information Governance / Information, Communications and Technology</p>	<p>Coverage as described in section 5.7:</p> <p>ICT Audit reviews and advice. Planned audits to include:</p> <ul style="list-style-type: none"> - Access Management - Vulnerability Management - IT Disaster Recovery - Asset Management <p>Information governance reviews and advice. To include:</p> <ul style="list-style-type: none"> - Audit of processes to support management of risk in relation to data breaches. 	<p>Specialised technical advice and assurance on the adequacy of controls surrounding ICT systems. Assurance to managers who place significant reliance on ICT systems for the delivery of services. Contribution to the review and further development of the Council’s information governance arrangements.</p>	<p>80</p>
<p>Schools</p>	<p>Coverage as described in section 5.8:</p> <p>Providing assurance on the control environment within schools, supporting schools in ensuring awareness of requirements within the DfE Schools’ Financial Value Standard.</p> <p>Audit reviews of schools: At least 8 school audits to be completed during the year (Children’s Services). Final audit opinion reports expected to be issued include</p> <ul style="list-style-type: none"> - All Saints Catholic Primary* - Altrincham C of E* - Templemoor Infants - Seymour Park Community Primary - Moss Park Primary - At least 3 other school audits to be completed. Other audits to commence or be planned in by the end of 2024/25 to be confirmed during the year. 	<p>Supports improvements in standards of governance and control in schools and supports process to enable achievement of standards set by the DfE.</p>	<p>90</p>

	<p>Follow-up of progress for all school audits completed in 2023/24 with updates to be obtained from management.</p>		
<p>Assurance – Other Strategic and Service Risks</p>	<p>Coverage as described in section 5.9:</p> <p>Audits selected on the basis of risk from a number of sources including senior managers' recommendations, risk registers and internal audit risk assessments. Reviews include authority wide issues and areas relating to individual services, establishments and functions. Includes new audit reviews, follow up audits and gaining assurance from service updates.</p> <p>Audits to commence in 2024/25 with reports to be issued during 2024/25 or Q1/2 of 2025/26:</p> <ul style="list-style-type: none"> - Catering Services (Strategy and resources) * - Blue Badges (Strategy and Resources) - Libraries Service (Strategy and Resources) - Complaints (Strategy and Resources / Authority-wide) - Recruitment (Strategy and Resources) - Supporting Families (Children's Services) * - Home to School Transport (Children's Services) - Schools Admissions (Children's Services) 	<p>This work enables Internal Audit to provide a breadth of assurance across the Council that there are adequate governance and control arrangements in place, that policies and procedures are being implemented, that risks are being managed, and outcomes delivered.</p>	<p>230</p>

	<ul style="list-style-type: none"> - Hayeswater Contact Centre (Children's Services)* - Care Leaver payments (Children's Services) - Section 17 payments (Children's Services) - Deprivation of Liberty Safeguards (Adult Services) - Adaptations (Adult Services) - Direct Payments (Adult Services) - Let Estates (Place) - Building Control (Place) - Housing Standards (Place) - Tree Unit (Place) - Section 106 / Community Infrastructure Levy (Place) - Other audits where applicable, to be agreed with individual services during the year. <p>Follow-up of previous audit reviews where internal audit reports have been issued in 2023/24 to include:</p> <ul style="list-style-type: none"> - Bereavement Services (Strategy and Resources) - Cleaning Services (Strategy and Resources) - Sale Waterside Arts Centre (Strategy and Resources) - Outdoor Advertising (Place) - Safety at Sports Grounds (Place). 		
<p>Grant claims checks / Data Quality</p>	<p>Coverage as described in section 5.10: Internal audit checks of grant claims / statutory returns and other checks as required.</p> <p>Audit and Assurance to be advised through the year of grant claims, review</p>	<p>Ensuring the Council adheres to requirements in submitting relevant grant claims where Internal Audit input is required, providing assurance regarding the accuracy of data and supporting information reviewed.</p>	<p>25</p>

	<p>work and other returns to be checked/signed off. To include:</p> <ul style="list-style-type: none"> - Disabled Facilities Grant (Adult Services) - To be advised of others during 2024/25 		
Service Advice / Projects	<p>Coverage as described in section 5.11:</p> <p>General advice and guidance, both corporately and across individual service areas.</p> <p>Support and advice to the organisation in contributing to working groups and projects in relation to governance, risk and control issues.</p>	<p>Support to services, groups, project teams etc. around the relevance and application of corporate policies, procedure rules and good governance arrangements.</p> <p>Contributing to the delivery of effective project outcomes including input to the consideration of key risks and appropriate controls considered in the development of new systems, functions and procedures.</p>	40
		Total Allocated Days	800
		Contingency (To cover additional / unexpected work and any unexpected reductions in available staff days).	40
		Total Planned Days	840
		Available Days	840
		Surplus/Deficit for Year	0

* Denotes draft opinion report to be issued by Quarter 1 of 2024/25.

Audit Opinion Levels

For the above reviews listed where an audit opinion report is to be issued, an audit opinion will be provided as per the framework below:

Audit Opinion Level	Description
Substantial Assurance	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 Assurance	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 Assurance	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.
Very Low or 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.



TRAFFORD
COUNCIL

Internal Audit Charter

Audit and Assurance Service (March 2024)

TRAFFORD COUNCIL

AUDIT AND ASSURANCE SERVICE - INTERNAL AUDIT CHARTER

1. Introduction

- 1.1 Section 151 of the Local Government Act 1972 requires Councils to “make arrangements for the proper administration of their financial affairs”. More specific requirements are detailed in the Accounts and Audit Regulations 2015 in that the 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.”
- 1.2 The Internal Audit Charter describes the purpose, authority and principal responsibilities of the Internal Audit function at Trafford which is provided by the Audit and Assurance Service.
- 1.3 The Audit and Assurance Service is required to operate in accordance with the UK Public Sector Internal Audit Standards. The Standards are mandatory for all internal auditors working in the UK Public Sector.

2. Definitions

Internal Audit

- 2.1 “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.” (Public Sector Internal Audit Standards).
- 2.2 CIPFA provide further details in their PSIAS Local Government Application Note: “Internal audit provides an independent and objective opinion to the organisation on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. It may also undertake consulting services at the request of the organisation, subject to there being no impact on the core assurance work and the availability of skills and resources.

The “Board” and “Senior Management”

- 2.3 The Public Sector Internal Audit Standards (PSIAS) require that the internal audit charter defines the terms ‘board’ and ‘senior management’ in relation to the work of internal audit. For the purposes of internal audit work, the ‘board’ refers to the Council’s Accounts and Audit Committee which has delegated responsibility for overseeing the work of internal audit. The term senior management will be defined on an individual basis according to individual context but will usually refer to the Corporate Leadership Team (CLT).

3. Mission of Internal Audit and Core Principles for the Professional Practice of Internal Auditing

3.1 The Mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. In order to achieve this, in accordance with the PSIAS, it should operate in accordance with the following core principles:

- Demonstrates integrity
- Demonstrates competence and due professional care
- Is objective and free from undue influence (independent)
- Aligns with the strategies, objectives and risks of the organisation
- Is appropriately positioned and adequately resourced
- Demonstrates quality and continuous improvement.
- Communicates effectively
- Provides risk-based assurance
- Is insightful, proactive, and future-focused.
- Promotes organisational improvement.

4. Status

4.1 The Audit and Assurance Service is within the Council's Finance and Systems Directorate. It comprises the Council's Internal Audit and Counter Fraud functions.

4.2 Internal Audit's authority derives directly from its statutory responsibilities and the Procedure Rules established by the Council.

4.3 The responsibility for the production and execution of the internal audit plan and subsequent audit activity rests with the Audit and Assurance Manager. The Audit and Assurance Manager reports to the Director of Finance and Systems (Section 151 Officer) but will also report directly to the Chief Executive where required.

5. Reporting Lines

5.1 The work of the Audit and Assurance Service is reported directly to the Chief Executive; to Members via the committee charged with responsibility for audit and governance (The Accounts and Audit Committee, defined by the term "Board" under PSIAS) and to Executive Members. The work of the Accounts and Audit Committee is also reported annually to the Council.

5.2 Internal audit assignments are the subject of formal reports. These reports are sent to the relevant Corporate Director and Head of Service together with relevant managers. The Executive member with portfolio responsibility, Chief Executive, Director of Finance and Systems and External Audit will receive copies of the internal audit reports. The Monitoring Officer will also receive copies of audit reports at the discretion of the Audit and Assurance Manager. Reports are issued initially as drafts and, following agreement as to contents and responsibility for implementing recommendations, a final report is issued. The Accounts and Audit Committee is provided with a listing on a periodic

basis of each audit report, summarising the findings and stating the audit opinion given.

6. Independence

- 6.1 The Audit and Assurance Service will be sufficiently independent of the activities being audited so that auditors are able to make impartial and effective professional judgements and recommendations.
- 6.2 Internal Audit will determine its priorities in consultation with the Accounts and Audit Committee.
- 6.3 The Audit and Assurance Manager will report impartially in his or her own name.
- 6.4 Where internal audit staff have a perceived or real conflict of interest in undertaking a particular piece of audit work (whether for personal reasons or through managing or undertaking any non-audit duties), this will be managed through the internal audit management and supervisory process. Work will be re-assigned where appropriate. Staff are required to declare any potential conflict of interest and a signed declaration from each member of staff is required on an annual basis. In the event that the Audit and Assurance Manager has responsibility for any activity relating to non-audit duties, to ensure independence is not impaired, the Audit and Assurance Manager would not be directly involved in the audit of this activity and arrangements would be agreed with the Section 151 Officer.
- 6.5 Adequate budgetary resources will be made available to enable the Internal Audit function to maintain its independence.

7. Responsibilities

- 7.1 The main objective of the Audit and Assurance Service is to provide the Council with an independent and objective opinion on the Council's control environment.
- 7.2 The Audit and Assurance Service should play a key role in shaping the ethics and standards of the Council and where appropriate, act as a catalyst for change and improvement.
- 7.3 The scope of internal audit work will cover all the Council's activities and encompass both the financial and non-financial aspects of the control environment. This includes activities undertaken in partnership with other organisations where assurance will be sought in accordance with agreed protocols including access rights.
- 7.4 Internal audit work comprises an independent and objective review of the control environment. The key elements of the control environment include:
 - (a) Establishing and monitoring the achievement of the organisation's objectives
 - (b) The facilitation of policy and decision-making ensuring compliance with established policies, procedures, laws and regulations – including how risk

management is embedded in the activity of the council, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their authority and duties

- (c) Ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which the council's functions are exercised, having regard to a combination of economy, efficiency and effectiveness
- (d) The financial management of the Council and the reporting of financial management
- (e) The performance management of the Council and the reporting of performance management.

- 7.5 The Council's assurance and performance management framework will be taken into consideration when determining the work of Internal Audit. The key elements of the assurance and performance management framework are:
- Risk management both at the strategic and operational levels
 - The monitoring of key Council objectives and targets by the Corporate Leadership Team
 - Business planning - the identification and monitoring of key business targets by individual services
 - Self-assessments by managers of the operation of controls for which they are responsible
 - Reviews by External Audit
 - Reviews by other external agencies
 - Scrutiny reviews
 - Previous work of Internal Audit and the Accounts and Audit Committee.
- 7.6 Particular attention will be devoted to any aspects of the control environment affected by significant changes within the organisation's risk environment.
- 7.7 The Audit and Assurance Manager will also make a provision, in the scope of Internal Audit's work, to form an opinion where key systems are operated by the Council on behalf of other bodies or other bodies are operating key systems on behalf of the Council.
- 7.8 Where the Council works in partnership with other organisations, the role of Internal Audit will be defined on an individual basis.
- 7.9 The Audit and Assurance Manager will give an opinion on the operation of the Council's control environment, which encompasses internal control, risk management and governance. This is set out in the annual Head of Internal Audit report.
- 7.10 The Audit and Assurance Service will also take a lead role in supporting the work of the Accounts and Audit Committee. This will include co-ordinating the committee's work programme in agreement with Committee Members and supporting the Committee to report on its work undertaken.

8. Fraud and Corruption

- 8.1 The Audit and Assurance Service, comprising the Internal Audit and Counter Fraud functions, works with other services including Human Resources and Legal Services to maintain the Council's anti-fraud and corruption policy, strategy and supporting guidance. The Service also works with others to raise awareness of anti-fraud measures across the Council and fraud risks are considered as part of Internal Audit review work.
- 8.2 The Audit and Assurance Manager will be informed of suspected or detected fraud, corruption or impropriety, so that he or she can consider the adequacy of the relevant controls and evaluate the implications of fraud and corruption for his or her opinion on the internal control environment.

9. Access

- 9.1 The Audit and Assurance Service will have unrestricted direct access to all Members, council personnel, records (whether manual or computerised), cash, stores, and other assets and may enter council property or land to obtain such information and explanations considered necessary to fulfil the responsibilities of an internal audit function. Such access shall be granted on demand and not be subject to prior notice and will also extend to partner bodies or external contractors working on behalf of the authority insofar as such access relates to work carried out or services provided on behalf of or in partnership with the authority. In respect of issues where clarity may be required in relation to access rights e.g. in relation to specific partnership arrangements, Audit and Assurance will seek advice, e.g. from relevant service areas such as Legal Services.

10. Limitations of Internal Audit Responsibilities

- 10.1 In seeking to discharge the responsibilities detailed above, and in line with the responsibilities of Internal Audit set out in section 7 above, it should be noted that the Internal Audit function is not responsible for:
- Controlling the risks of the authority.
 - Establishing and maintaining systems of internal control.
 - Determining operational policies or procedures.

11. Resources

- 11.1 The Audit and Assurance Manager will hold a relevant professional qualification; have wide experience of audit and management and will be responsible for ensuring that the Audit and Assurance Service is appropriately staffed in terms of numbers, grades, qualification levels and experience.
- 11.2 The Audit and Assurance Manager will ensure that appropriate provision is made for maintaining and developing the competence of audit staff. All internal auditors will undertake a programme of continuing professional development to maintain and develop their skills. A record of training and development undertaken and planned will be maintained.

11.3 The Audit and Assurance Manager is responsible for ensuring that the resources of the Audit and Assurance Service are sufficient to meet its responsibilities and achieve its objectives. If a situation arose whereby it was concluded that resources were insufficient this will be formally reported to the Section 151 Officer, Chief Executive and, if the position is not resolved, to Members charged with responsibility for audit and governance (Accounts and Audit Committee).

12. Consultancy

12.1 Consultancy comprises the range of services, other than assurance services, provided by Internal Audit to assist management in meeting the objectives of the Council. This may include facilitation, process design, training, and advisory services. The Audit and Assurance Manager will be responsible for deciding what level of consultancy support Internal Audit can provide. The scope of any consultancy work will be agreed with management and will only be undertaken where resources permit without impacting on the planned annual assurance process.

12.2 In the event that the Service has previously performed consulting services, in planning the allocation and scoping of future assurance work, account will be taken of consultancy work performed in that area to ensure that independence and objectivity is not impaired.

12.3 Account will always be taken of the primary objective of Internal Audit to complete assurance work and approval would be sought from the Accounts and Audit Committee before any significant unplanned consultancy work is agreed which would impact on the Internal Audit Plan.

13. Review

13.1 The Internal Audit Charter will be subject to regular review, the results of which will be reported for approval by the Corporate Leadership Team and the Accounts and Audit Committee.

Mark Foster
Audit and Assurance Manager
March 2024



TRAFFORD
COUNCIL

Internal Audit Strategy

Audit and Assurance Service (March 2024)

TRAFFORD COUNCIL AUDIT AND ASSURANCE SERVICE

INTERNAL AUDIT STRATEGY

1. Introduction

- 1.1 The Internal Audit Charter defines the purpose, authority and principal responsibilities of Internal Audit. The Internal Audit Strategy set out in this document details the arrangements in place to deliver internal audit so as to ensure that the objectives of the Audit and Assurance Service are met and the scope of it understood.
- 1.2 The Audit and Assurance Service is required to deliver a risk-based audit plan in a professional independent manner, to provide the Council with an opinion on the level of assurance it can place upon the internal control environment (which encompasses internal control, risk management and governance); and, where applicable, to make recommendations to improve it.
- 1.3 The Strategy Statement below sets out the key requirements for ensuring the Audit and Assurance Service fulfils its role effectively. The Statement sets out the overarching vision and aims of the Service. Details of how these requirements are to be met are set out in sections 3 to 8 of the Strategy.

2. Strategy Statement

- 2.1 The Mission and Core Principles for Internal Audit are defined in the Internal Audit Charter, in accordance with the Public Sector Internal Audit Standards (PSIAS) and the Audit and Assurance Service should work to these in its planning and service delivery. (See Section 3.1 of the Internal Audit Charter).
- 2.2 The Audit and Assurance Service plays a key role in shaping the ethics, values and standards of the Council. The Service should be professional, challenging and innovative, acting as a catalyst for change and improvement by:
 - Ensuring its work adds value and maximises assurances to the Council about its positive impact on the achievement of corporate objectives and service delivery;
 - Having a sound knowledge of the organisation, being forward looking and aware of local, regional and national agendas and their impact on the Council;
 - Ensuring the service is flexible, works in partnership with managers, invests in good working relationships with all stakeholders and responds effectively to the changing needs of the Council;
 - Having sufficient resources to effectively deliver the vision and uphold professional standards, particularly officer resources with the number, skills mix, knowledge and experience to achieve this.

3. Service Provision

- 3.1 The Internal Audit function is provided by the Audit and Assurance Service, which is within the Finance and Systems Directorate. Day to day management

is the responsibility of the Audit and Assurance Manager who reports to the Director of Finance and Systems (Section 151 Officer). The Service maintains independence in its reporting as set out in its Charter and associated procedures.

- 3.2 Internal audit services to the Council are currently provided by in-house resources and are complemented by bought-in resources as follows:
- Specialist ICT audit resources are provided by Salford Internal Audit Services. This arrangement was originally agreed by the Association of Greater Manchester Authorities as part of a review of joint working whereby Salford City Council provide specialist resources for use by all the Greater Manchester authorities. These specialist resources are used to complement in-house resources.
 - Internal audit resources will be bought-in if the Audit and Assurance Manager, in agreement with the Director of Finance and Systems, considers this to be necessary to ensure completion of the internal audit plan, and if resources permit this approach. The engagement of bought-in internal audit resources will be reported to Members charged with the responsibility for audit and governance. (Recognition will be given to potential conflicts of interest where bought in internal audit resources also provide non internal audit services to the Council).
- 3.3 The Audit and Assurance Manager is responsible for ensuring that all internal audit work complies with the Internal Audit Charter and the Public Sector Internal Audit Standards.

4. Audit Planning

- 4.1 A risk based Audit and Assurance Service plan will be produced on an annual basis. Work will be planned to ensure adequate assurance is provided towards the completion of the Council's Annual Governance Statement.
- 4.2 Resources will be allocated taking into account assurance levels required, risks involved and the potential impact of the work. The planned programme of work will be informed by:
- assurance required to be provided as a Council
 - assurance gained from other sources other than internal audit work including external audit and other inspectorates, service self-assessments etc.
 - knowledge and understanding of the organisation including future priorities and potential impacts
 - detailed consultation with key stakeholders.
- 4.3 Factors to be taken into account when undertaking a risk assessment of auditable areas will take account of the council's assurance and performance management framework including:
- Risk management both at the strategic and operational levels
 - Monitoring of key council objectives and targets by the Corporate Leadership Team
 - Directorate and Service Business Planning arrangements

- Governance and control self-assessments by managers of the operation of controls for which they are responsible
- Reviews by External Audit and other external agencies
- Other internal reviews including scrutiny work
- Previous internal audit and Accounts and Audit Committee findings.

4.4 The Annual Internal Audit Plan lists the areas to be audited and the resources required. Audit reviews and other programmes of work will focus both on strategic and operational issues. To ensure adequate flexibility, audit work will involve a number of different methods of delivery i.e. traditional internal audit reviews; provision of guidance; awareness raising; advice to project / working groups etc. The plan will be prepared to ensure:

- Fundamental financial systems are reviewed on a cyclical basis.
- Adequate resources are set aside for anti-fraud and corruption work including investigating suspected cases and raising awareness across the Council.
- Adequate resources are included to enable reviews of the Council's corporate governance and risk management arrangements.
- The Council's ICT systems and information governance processes are subject to adequate internal audit coverage.
- Procurement and contracts arrangements across the council are reviewed.
- Internal Audit fulfils its role in auditing schools, supporting the process by which schools are required to meet the Schools Financial Value Standard.
- Adequate coverage of other key business risks including individual coverage of authority-wide issues, individual services, establishments, partnerships, programmes and projects.

4.5 Provision is made to follow up work completed in previous periods. The plan also contains a contingency for unforeseen changes which may necessitate a change in priorities.

4.6 The Internal Audit Plan is flexible and will be kept under review and will be revised to take account of changes in the risk environment. Significant changes in the plan will be reported to the Corporate Leadership Team and to the Accounts and Audit Committee.

5. **Service Delivery**

5.1 There will be close working with management in agreeing the scope of individual audit assignments. The planning and scoping process takes into account any significant factors, developments and key risks to ensure the internal audit review of that area will add value for the Council.

5.2 The ongoing development of the Audit and Assurance Service's knowledge base will provide an effective source of information as part of the planning process. Knowledge will be developed by various means including ongoing liaison and discussion with managers and other key stakeholders.

5.3 Individual Audit and Assurance projects will have, within the overall project time allocation, planned time to allow the Audit and Assurance Officer(s) to research

and build their knowledge of the area (proportionate to the nature/complexity of the review).

- 5.4 The Audit and Assurance Manager will ensure that there are documented protocols and procedures for planning and conducting audits, setting out the standards for the service. These will be set out in the Audit Manual. The Audit and Assurance Manager will monitor performance against the standards set out in the Audit Manual and other relevant documents.

6. Reporting

- 6.1 Reporting arrangements for the Audit and Assurance Service are set out in protocols which form an integral part of the Service's Audit Manual.
- 6.2 The approach to reporting, delivering opinions and supporting conclusions, and developing associated improvement actions will be flexible. This will be to ensure that officer resources are effectively utilised, the needs of recipient managers/stakeholders are met, the necessary assurance is provided and the form of reporting maximises ownership and impact of resulting improvement actions / organisational change being recommended.
- 6.3 For individual audit assignments, where internal audit recommendations are made, these will be discussed with management prior to the issue of audit reports. The findings from the audit will be reported, clearly identifying and explaining the key risks and control weaknesses, with the relative priority of recommendations clearly communicated. Following each audit, the client manager will have the opportunity to provide feedback via the client satisfaction survey.
- 6.4 Progress against the annual internal audit plan will be monitored by the Audit and Assurance Manager and reported to the Corporate Leadership Team and to the Accounts and Audit Committee on a regular basis.
- 6.5 The Audit and Assurance Service will give an overall opinion each year on the Council's risk management, control and governance arrangements to support the Annual Governance Statement. The Internal Audit opinion on the control environment will be given in the Annual Head of Internal Audit Report, which will be presented to the Corporate Leadership Team and the Accounts and Audit Committee.

7. Staffing / Resources

- 7.1 In order to deliver the Internal Audit Strategy and comply with professional standards, it is important that the Audit and Assurance Service comprises staff with the appropriate skills and experience.
- 7.2 Audit and Assurance officers are expected to undertake continuing professional development as appropriate and undertake training / development activities, both for personal development and to ensure there is an effective skills balance within the Service.

- 7.3 The Service operates personal development and review processes in line with the Council's policy as well as professional good practice. Ongoing training and development needs are identified as part of this process. In addition to internal training, such as through e-learning, shadowing the work of colleagues etc., available training provided by key providers such as CIPFA and IIA is considered and where appropriate included within the ongoing programme of training. Training and development needs are reviewed regularly.
- 7.4 The Service has a clearly defined code for staff encompassing ethics, conduct and values in accordance with the Public Sector Internal Audit Standards. Staff are required to complete and sign a declaration statement in line with the PSIAS Code of Ethics.
- 7.5 If resources, including staffing, are insufficient for the Audit and Assurance Service to provide an opinion on the control environment, the Audit and Assurance Manager will report this to the Director of Finance and Systems, Chief Executive and to the Accounts and Audit Committee.

8. Ongoing Development Actions

- 8.1 The Service reviews its procedures, systems and working methods on a regular basis. This includes a review, at least annually, against the Public Sector Internal Audit Standards through either an internal or external assessment. Details are reported to the Accounts and Audit Committee within the Head of Internal Audit Annual Audit Report. The Service has a Quality Assurance Improvement Programme setting out its quality review processes in place which includes details in respect of both internal and external assessments (See Appendix 5).
- 8.2 There are a number of areas that are subject to ongoing or periodic review to ensure standards are maintained and where possible improvements made. The following will continue to be considered as part of ongoing service planning and monitoring of performance:
- Consider the ongoing appropriateness / application of audit procedures and protocols both in ensuring these continue to meet the organisation's requirements and remain in accordance with the Public Sector Internal Audit Standards.
 - Continue to consider and where appropriate, adopt, various approaches to audit reporting taking into account client feedback.
 - Continue to consider training and development needs of staff to ensure there remains adequate knowledge and expertise in specific areas of audit activity.
 - As part of ongoing audit planning, continue to consider the approach to gathering assurance including collaboration with other Internal Audit providers e.g. in respect of audit reviews of partnerships and other arrangements where there is collaboration between organisations.
 - Continue to consider appropriate means of raising awareness of key governance and control issues. Ensure content on the Audit and Assurance Intranet site is regularly reviewed to ensure it is up to date and provides effective guidance.

- Ensure methods of working take into account any changes in the organisational structure, accommodation issues, technology, agile working protocols etc.

9. Review

- 9.1 The Internal Audit Strategy will be subject to regular review, the results of which will be reported to the Accounts and Audit Committee and the Corporate Leadership Team.

Mark Foster
Audit and Assurance Manager
March 2024



TRAFFORD
COUNCIL

Quality Assurance Improvement Programme - Audit and Assurance Service

Audit and Assurance Service (March 2024)

TRAFFORD COUNCIL AUDIT AND ASSURANCE SERVICE

Quality Assurance Improvement Programme

1. Introduction

- 1.1 The Audit and Assurance Service Quality Assurance and Improvement Programme (QAIP) is in place to provide reasonable assurance to the various stakeholders of the Internal Audit activity that the Service:
- Performs its work in accordance with its Charter, which is consistent with the Public Sector Standards' (PSIAS) definition of Internal Auditing and Code of Ethics;
 - Operates in an effective and efficient manner; and
 - Is perceived by stakeholders as adding value and improving Internal Audit's operations.
- 1.2 The QAIP covers Internal Audit activity in accordance with the PSIAS Standard 1300 (Quality Assurance and Improvement Programme), including:
- Monitoring the Internal Audit activity to ensure it operates in an effective and efficient manner;
 - Ensuring compliance with the PSIAS' Definition of Internal Auditing and Code of Ethics;
 - Helping the Internal Audit activity add value and improve organisational operations;
 - Undertaking both periodic and on-going internal assessments (Standard 1311); and
 - Commissioning an external assessment at least once every five years, the results of which are to be communicated to the Accounts and Audit Committee (in accordance with Standard 1312 and 1320).

2. Internal Assessments

- 2.1 In accordance with PSIAS Standard 1311, internal assessments are undertaken through both on-going and periodic reviews.

On-going Reviews

- 2.2 Continual assessments are conducted through:
- Management supervision of each audit review;
 - Audit policies and procedures used as set out in in the Internal Audit Strategy and Audit Manual for each assignment in order to comply with appropriate planning, fieldwork and reporting standards;
 - Review and approval of all final reports including recommendations and levels of assurance by the Audit and Assurance Manager.
 - Feedback from audit clients obtained through a client survey issued following each internal audit review. A summary analysis of responses received is included in the Annual Head of Internal Audit report.

- Monitoring of internal performance to feed into regular reporting to the Corporate Leadership Team and Accounts and Audit Committee.

Periodic Review

2.3 Periodic assessments/reviews are conducted through:

- Reporting through the year in periodic updates and annual reporting to the Corporate Leadership Team and the Accounts and Audit Committee on the work of Internal Audit. This includes presenting the Internal Audit Plan for approval; periodic updates of progress against the Plan and work completed for the year reflected in the Annual Head of Internal Audit Report.
- Annual self-assessment against the Public Sector Internal Audit Standards with a summary of the outcome of this exercise reported in the Annual Head of Internal Audit Report, including any key improvement actions planned.
- Performance review of individual audit staff through the Council's corporate processes.

3. External Assessments

3.1 External assessments will appraise and express an opinion about Internal Audit's conformance with the PSIAS' Definition of Internal Auditing and Code of Ethics and include recommendations for improvement, as appropriate.

Frequency of External Assessment

3.2 An external assessment will be conducted at least every five years, in accordance with the PSIAS. Appointment of the External Assessor and scope of the External Assessment will be agreed with the Section 151 Officer and Chair of the Accounts and Audit Committee.

Scope of External Assessment

3.3 The scope of the external assessment will consist of the following elements of Internal Audit activity:

- Conformance with the Standards, Definition of Internal Auditing, the Code of Ethics, Internal Audit's Charter, plans, policies, procedures, practices, and any applicable legislative and regulatory requirements;
- Integration of the internal audit activity into the Council's governance and reporting framework;
- Processes undertaken by Internal Audit;
- The mix of knowledge, experiences, and disciplines within the staffing structure;
- A determination whether Internal Audit adds value to governance, risk management and internal control within the Council.

3.4 Results of external assessments will be provided to the Accounts and Audit Committee. The external assessment report will be accompanied by a written action plan in response to recommendations identified. Any significant areas of non-compliance will be reported in the Annual Head of Internal Audit Report and where applicable, considered for inclusion in the Annual Governance Statement.

4. Review of the QAIP

4.1 This document will be appropriately updated following any changes to the PSIAS or Internal Audit's operating environment and will be reviewed on a regular basis.

Audit and Assurance Service : March 2024