

**Audit Services'**  
**Strategy**  
**2013/14 and Beyond**

## **Audit Strategy**

### **Introduction**

The purpose, scope and authority of Audit Services is set out in the Service's Role and Terms of Reference, a detailed document approved by the Audit Committee.

The Audit Strategy is a high level statement of how the internal audit service links to the Council's objectives and priorities and how it will be delivered and developed in accordance with its role and terms of reference.

### **Service Objective Linkages**

Audit Services' objectives and associated key performance measures are detailed in Appendix A to the Strategy and linkages are made to Divisional and Corporate objectives.

### **Service Provision**

The Head of Corporate Assurance is responsible for ensuring that on an ongoing basis Audit Services possesses the necessary resources, knowledge, skills and disciplines to achieve its objectives.

In particular the Head of Corporate Assurance will ensure that staff possess appropriate qualifications and experience and encourage and facilitate the continuing professional development of staff through the Council's recruitment and staff development processes.

The service is currently provided by an in-house team of four full-time officers, led by the Head of Corporate Assurance, comprising one Audit Manager and three Audit Officers.

### **Annual Audit Plan**

An Annual Audit Plan will be prepared by the Head of Corporate Assurance that will be subject to consultation with the Director of Resources, Chief Executive, other Directors and Chief Officers Board and approved by the Audit Committee. It will comprise audit assignments and consultancy work with a contingency allowance to cover unforeseen work such as fraud investigations.

The Plan will be risk based to reflect :

1. Audit assignments prioritised on the basis of an audit risk model that includes such factors as the impact upon Council/Departmental objectives, the management control environment and susceptibility to fraud;
2. Corporate and Departmental risk registers; and
3. Discussions with Directors and Senior Management Teams.

The Plan will be flexible to allow for the coverage of emerging risks and amendments will be subject to the approval of the Audit Committee.

## **Audit Approach and Documentation**

Audit Services will involve clients fully in all aspects of the audit process. This will include discussion/agreement on the scope of audit work, updates as work progresses, opportunity to comment on draft audit reports and consideration of/agreement to audit recommendations, including the officer responsible and timescale for implementation.

Audit Services maintains a Quality Management System (QMS) that includes an Audit Manual. All audit work will be conducted and documented in accordance with the QMS. The QMS is essential to the successful maintenance of proper professional standards and will be kept current through regular review as to its appropriateness and relevance.

## **Audit Services' Annual Report**

An Annual Report will be provided each year to the Director of Resources (S151 Officer) and the Audit Committee to support the Annual Governance Statement. The report will include an overall opinion on the adequacy and effectiveness of the Council's control environment and outline the audit work from which the opinion is derived, including where professional reliance has been placed on the work of others.

## **Amendments to the Strategy**

The Strategy will be reviewed annually by the Head of Corporate Assurance to ensure that its relevance is maintained. Significant amendments will be subject to the approval of the Audit Committee.

**AUDIT SERVICES - LINKAGES BETWEEN SERVICE OBJECTIVES AND ASSOCIATED KEY PERFORMANCE MEASURES TO DIVISIONAL AND CORPORATE OBJECTIVES**

Key Performance Measures	Audit Services' Objectives	Divisional Objectives	Corporate Objectives
<p>Outcome of Annual Review of Internal Audit Effectiveness.</p> <p>Outcome of Five-Yearly External Assessment of Internal Audit.</p> <p>Customer Satisfaction ratings.</p> <p>Days per Auditor as per CIPFA Benchmarking Statistics for Unitary Authorities.</p> <p>Costs per audit day as per CIPFA Benchmarking Statistics for Unitary Authorities.</p>	<p>Deliver an effective internal audit service that satisfies statutory requirements and accords with Public Sector Internal Audit Standards and the Local Government Application Note.</p> <p>Deploy internal audit resources with regard to relative risks and levels of assurance required.</p> <p>Issue timely audit reports with practical recommendations for improvement and follow up to ensure that agreed recommendations are implemented.</p> <p>Carry out agreed/requested audit assignments, consultancy projects and special investigations to the satisfaction of the client.</p> <p>Deliver a cost-efficient internal audit service.</p>	<p>Effective corporate governance arrangements</p>	<p>People have trust and confidence in local public services.</p> <p>Providing high quality services.</p>