

INTERNAL AUDIT STRATEGY

APPENDIX 2

COUNCIL ACTIVITY	THE HEAD OF INTERNAL AUDIT WILL CONSIDER WHETHER:
MANAGING THE BUSINESS	
Maintaining Sound Business Management Processes	<ul style="list-style-type: none"> • Sound business management processes are being: <ul style="list-style-type: none"> • maintained at a strategic level • applied at an operational level
Operating Robust Financial Systems	<ul style="list-style-type: none"> • Systems design is adequate and effective in the key financial systems. • Key controls within the main financial systems have operated consistently throughout the year
Implementing Audit Recommendations	<ul style="list-style-type: none"> • Adequate arrangements are in place for implementing agreed recommendations properly, in a timely fashion
DELIVERING SERVICES	
Managing Service Delivery Risks	<ul style="list-style-type: none"> • Risks are being managed effectively and services delivered in the most cost effective way • Intended coverage is currently: <ul style="list-style-type: none"> • High risk services / business management processes: Every two to three years • Medium risk services / business management processes: If resources allow • Low risk services / business management processes: As and when required
Managing Project Risks	<ul style="list-style-type: none"> • Major projects are being properly managed (including those within the capital programme)
Managing Procurement / Contract Management Risks	<ul style="list-style-type: none"> • Proper procurement practices are consistently applied across the Council • Robust contract management arrangements are in place
Managing New Risks	<ul style="list-style-type: none"> • Risks are properly identified and evaluated and appropriate controls built in to: <ul style="list-style-type: none"> • major new systems • proposed policy initiatives • new programmes and projects • responses to emerging risks

COUNCIL ACTIVITY	THE HEAD OF INTERNAL AUDIT WILL CONSIDER WHETHER:
OTHER CONSIDERATIONS	
Impact of any identified Fraud & Corruption	<ul style="list-style-type: none"> • Reported frauds indicate weaknesses in systems of internal control
Impact of any Ad Hoc Work Undertaken	<ul style="list-style-type: none"> • The outcome of any ad hoc work indicates weaknesses in the system of internal control
NON OPINION WORK	
Corporate Support	<ul style="list-style-type: none"> • Undertaking ad hoc work as required • Maintaining the corporate assurance framework • Developing and maintaining the Risk Management Framework and Anti Fraud & Corruption Framework • Supporting the work of the Audit Committee as required
Grant Claims	<ul style="list-style-type: none"> • Auditing grant claims that require a Head of Internal Audit opinion
Consultancy Work	<ul style="list-style-type: none"> • Advisory Services • Training & Development Sessions

FOR SCHOOLS**Full Audit:**

The purpose of this audit is to provide assurance over the robustness of the school's business processes which includes financial management and governance control as well as proactive fraud work in high risk activities.

This review will also involve:

- assessing compliance with any national standards covering financial and or governance processes
- auditing whether previous recommendations made have been implemented properly.

Schools will be periodically selected for a full audit based on an assessment of risk and will only be given a few weeks notice of such a visit.

Internal Audit will meet with the Head of School Support & Preventative Services each term following the School Review Group meeting. The information produced by this Group will form a fundamental element of the risk assessment used to determine when to undertake a full audit at a school.

It has also been agreed that any school appointing a new Headteacher or senior financial officer, will be audited in their first year.

All schools will be subject to a full audit at least once in any three year period.

Thematic Reviews:

The purpose of this type of audit is to select an activity undertaken by all schools e.g. procurement and then assess whether good practice is complied with. A representative sample of schools will be audited as part of each review. A summary report of themes arising from this work will also be produced and shared with all schools.

Ad Hoc Investigations:

The scope of work for this type of audit will be agreed with the school as and when it is required. It may also involve the Council's Corporate Fraud Investigations Team depending on the nature of the issue.

Reporting:

Schools will be asked to agree a report with an action plan for all work undertaken. Once finalised this will be shared with relevant senior officers and members of the Council. A high level summary of the themes will also be reported to the Council's Audit Committee.

Working with Schools:

In 2012/13, it has also been agreed to establish a school finance group to work with. Internal Audit will work with the group to:

- feedback themes from audit work
- present good practice papers to from thematic reviews
- do anti fraud and corruption work with
- share developments in working practices with