

# INTERNAL AUDIT ANNUAL PLAN

Gedling Borough Council

2023/24

IDEAS | PEOPLE | TRUST

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# AUDIT RISK ASSESSMENT

## BACKGROUND

Our risk-based approach to internal audit uses Gedling Borough Council (the Council)'s own risk management process and risk register as a starting point for audit planning as this represents the client's own assessment of the risks to it achieving its strategic objectives.

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the Council's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects the Council's current risk profile.

## PLANNED APPROACH TO INTERNAL AUDIT 2023/24

The indicative Internal Audit programme for 2023/24 is set out on pages 8-12. We engaged with the Heads of Service and Senior Leadership Team in order to bring together a full plan which will be presented at this Audit Committee for formal review and approval. We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period.

The plan is set within the context of a multi-year approach to internal audit planning, such that all areas of key risks would be looked at over a three-year audit cycle. We have suggested future areas of focus as part of the three-year strategic internal audit plan, set out on pages 5-7.

## INDIVIDUAL AUDITS

When we scope each review, we will reconsider our estimate for the number of days needed to achieve the objectives established for the work and to complete it to a satisfactory standard in light of the control environment identified within the Council. Where revisions are required, we will obtain approval from the appropriate Executive Director prior to commencing fieldwork.

In determining the timing of our individual audits, we will seek to agree a date which is convenient to the Council and which ensures availability of key management and staff and takes account of any operational pressures being experienced.

## VARIATIONS TO THE PLAN

We review the three-year strategic plan each year to ensure we remain aware of your ongoing risks and opportunities. Over the coming pages we have mapped your key risks along with the audit work we propose to undertake, demonstrating we are focussing on your most important issues.

As such, our strategic audit programme follows the risks identified during our planning processes and confirmed via discussions with the Executive Directors. If these were to change, or emerging risks were to develop during this period, we would take stock and evaluate our coverage accordingly.

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# OUR NEXT GEN INTERNAL AUDIT APPROACH

Our new and innovative Next Gen approach to internal audit ensures you maximise the potential added value from BDO as your internal audit provider and the expertise we bring from our dedicated Public Sector Internal Audit team and wider BDO specialist teams.

The Next Gen approach has allowed us to move away from the traditional approach of compliance auditing, transitioning in to delivering a healthy mix of assurance that is forward looking, flexible and responsive and undertaken in partnership with yourselves. The key components to this approach are outlined below and underpin our proposed plan coverage:

## CORE ASSURANCE

Reviews of fundamental finance and operational systems to provide assurance that core controls and procedures are operating as intended.

## SOFT CONTROLS

Reviews seek to understand the true purpose behind control deficiencies and provide a route map to enhance their effectiveness.

## FUTURE FOCUSED ASSURANCE

Rather than wait for implementation and then comment on identified weaknesses, we will work with you in an upfront / real time way.

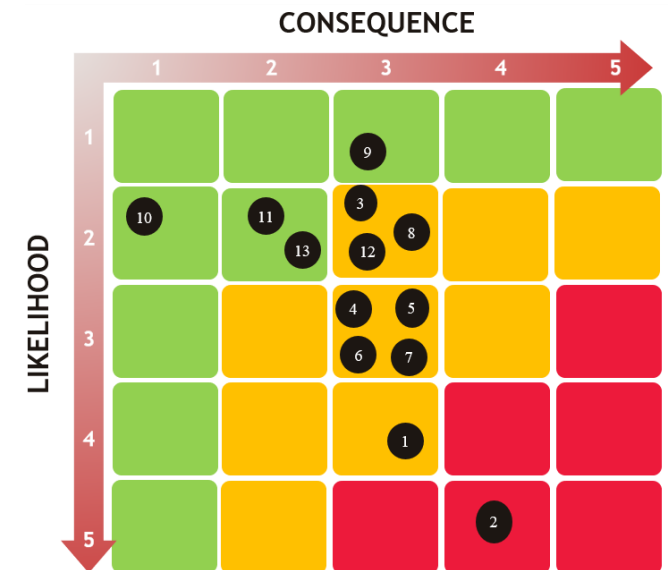
## FLEXIBLE AUDIT RESOURCE

Undertake proactive work across the Council, perhaps in preparation for regulatory reviews or change management programmes.



# MAPPING YOUR STRATEGIC RISKS

REF	STRATEGIC RISKS FROM YOUR CRR	SCORE
1	Failure to prevent budget overheating	12
2	Failure to maintain financial integrity	20
3	Failure to protect staff including health and safety issues	8
4	Failure to recruit and retain staff and maintaining internal capacity	6
5	Failure to properly utilise existing ICT, react to technology changes and prevent data loss	9
6	Failure to protect and utilise physical assets	9
7	Failure to react to changes in legislation	9
8	Failure of contractors or partnership arrangements - contractual breaches	6
9	Inability to defend one-off challenges to a Council decision or new compensation trend emerges	3
10	Failure to maintain service standards/customer expectation	2
11	Failure to prevent damage to the Council's reputation	4
12	Failure to react to an environmental incident or malicious act	2
13	Failure to react to socio-economic trends	4



## MAPPING YOUR CRR TO THE STRATEGIC PLAN

REF	STRATEGIC RISKS FROM YOUR CRR	2023/24	2024/25	2025/26
1	Failure to prevent budget overheating	<ul style="list-style-type: none"> <li>• Main Financial Systems</li> <li>• Generating External Income</li> <li>• Governance &amp; Budgetary Assurance Mapping</li> <li>• Council Tax/NNDR</li> </ul>	<ul style="list-style-type: none"> <li>• Budget Management</li> <li>• Main Financial Systems</li> <li>• Capital Projects</li> <li>• Demand Management</li> </ul>	<ul style="list-style-type: none"> <li>• Main Financial Systems</li> <li>• Reconciliations</li> </ul>
2	Failure to maintain financial integrity	<ul style="list-style-type: none"> <li>• Main Financial Systems</li> <li>• Generating External Income</li> <li>• Governance &amp; Budgetary Assurance Mapping</li> <li>• Council Tax/NNDR</li> <li>• Project &amp; Programme Management</li> </ul>	<ul style="list-style-type: none"> <li>• Budget Management</li> <li>• Main Financial Systems</li> <li>• Capital Projects</li> <li>• Demand Management</li> <li>• Housing Benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Main Financial Systems</li> <li>• Reconciliations</li> <li>• Insurance</li> </ul>
3	Failure to protect staff including health and safety issues	<ul style="list-style-type: none"> <li>• Governance &amp; Budgetary Assurance Mapping</li> </ul>	<ul style="list-style-type: none"> <li>• Waste &amp; Recycling</li> </ul>	<ul style="list-style-type: none"> <li>• Environment - Carbon Management Strategy</li> </ul>
4	Failure to recruit and retain staff and maintaining internal capacity	<ul style="list-style-type: none"> <li>• Governance &amp; Budgetary Assurance Mapping</li> </ul>	<ul style="list-style-type: none"> <li>• Equality, Diversity &amp; Inclusion</li> </ul>	
5	Failure to properly utilise existing ICT, react to technology changes and prevent data loss	<ul style="list-style-type: none"> <li>• GDPR Information &amp; Governance</li> <li>• Project &amp; Programme Management</li> </ul>	<ul style="list-style-type: none"> <li>• Digital Strategy</li> <li>• IT Disaster Recovery</li> </ul>	<ul style="list-style-type: none"> <li>• Governance of Partnership Arrangements</li> </ul>

REF	STRATEGIC RISKS FROM YOUR CRR	2023/24	2024/25	2025/26
			<ul style="list-style-type: none"> <li>Community Safety (including CCTV)</li> </ul>	
6	Failure to protect and utilise physical assets	<ul style="list-style-type: none"> <li>Main Financial Systems</li> <li>Project &amp; Programme Management</li> </ul>	<ul style="list-style-type: none"> <li>Capital Projects</li> <li>Community Safety (including CCTV)</li> </ul>	<ul style="list-style-type: none"> <li>Car Parking</li> </ul>
7	Failure to react to changes in legislation	<ul style="list-style-type: none"> <li>Governance &amp; Budgetary Assurance Mapping</li> <li>Safeguarding</li> <li>Council Tax/NNDR</li> <li>Project &amp; Programme Management</li> </ul>	<ul style="list-style-type: none"> <li>Waste and Recycling</li> <li>Community Safety (including CCTV)</li> </ul>	<ul style="list-style-type: none"> <li>Governance of Partnership Arrangements</li> <li>Procurement and Contract Management</li> <li>Insurance</li> </ul>
8	Failure of contractors or partnership arrangements - contractual breaches	<ul style="list-style-type: none"> <li>Community Health and Wellbeing (with focus on Leisure Services)</li> <li>Safeguarding</li> <li>Project &amp; Programme Management</li> </ul>	<ul style="list-style-type: none"> <li>Waste and Recycling</li> <li>Community Safety (including CCTV)</li> </ul>	<ul style="list-style-type: none"> <li>Governance of Partnership Arrangements</li> <li>Insurance</li> </ul>
9	Inability to defend one-off challenges to a Council decision or new compensation trend emerges	<ul style="list-style-type: none"> <li>Governance &amp; Budgetary Assurance Mapping</li> <li>Main Financial Systems</li> <li>Council Tax/NNDR</li> </ul>	<ul style="list-style-type: none"> <li>Main Financial Systems</li> <li>Demand Management</li> </ul>	<ul style="list-style-type: none"> <li>Main Financial Systems</li> <li>Insurance</li> </ul>
10	Failure to maintain service standards/customer expectation	<ul style="list-style-type: none"> <li>Council Tax/NNDR</li> </ul>	<ul style="list-style-type: none"> <li>Customer Experience &amp; Complaints</li> </ul>	<ul style="list-style-type: none"> <li>Governance of Partnership Arrangements</li> </ul>
11	Failure to prevent damage to the Council's reputation	<ul style="list-style-type: none"> <li>Governance &amp; Budgetary Assurance Mapping</li> </ul>	<ul style="list-style-type: none"> <li>Customer Experience &amp; Complaints</li> </ul>	<ul style="list-style-type: none"> <li>Governance of Partnership Arrangements</li> </ul>

REF	STRATEGIC RISKS FROM YOUR CRR	2023/24	2024/25	2025/26
		<ul style="list-style-type: none"> <li>Main Financial Systems</li> <li>Safeguarding</li> <li>Project &amp; Programme Management</li> </ul>	<ul style="list-style-type: none"> <li>Main Financial Systems</li> </ul>	<ul style="list-style-type: none"> <li>Environment - Carbon Management Strategy</li> <li>Main Financial Systems</li> <li>Reconciliations</li> </ul>
12	Failure to react to an environmental incident or malicious act	<ul style="list-style-type: none"> <li>Project &amp; Programme Management</li> </ul>	<ul style="list-style-type: none"> <li>Waste &amp; Recycling</li> <li>Customer Experience &amp; Complaints</li> </ul>	<ul style="list-style-type: none"> <li>Environment - Carbon Management Strategy</li> </ul>
13	Failure to react to socio-economic trends	<ul style="list-style-type: none"> <li>Generating External Income</li> <li>Council Tax/NNDR</li> </ul>	<ul style="list-style-type: none"> <li>Housing Benefits</li> <li>Capital Projects</li> </ul>	<ul style="list-style-type: none"> <li>Homelessness and Temporary Accommodation</li> </ul>



## INTERNAL AUDIT OPERATIONAL PLAN 2023/24

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
<b>Core Assurance</b>					
Main Financial Systems	1,2	15	Q4	In 2023/24 we will review General Ledger, Accounts Payable and Accounts Receivable.	Main Financial Systems is a routine annual audit that helps inform the Head of Internal Audit Annual Opinion.
Governance & Budgetary Assurance Mapping	1,2,3,7,9,11	16	Q1	We will review the governance, risk and budgetary assurance over each service areas within the Council, mapping each area and the activities sitting within them. We will seek to understand the sources of assurance obtained by senior management; how decision-making and delegations processes work in each area, and verify that there is sufficient reporting and management oversight for these areas.	This is an assurance piece to ensure there are no gaps in management oversight at the Council, particularly given the turnover of senior staff in recent years. This will assist us in forming our Head of Internal Audit Annual Opinion.
Council Tax/NNDR	1,2	12	Q2	<p>This review will assess:</p> <ul style="list-style-type: none"> <li>• Council tax and NNDR policies i.e. council tax reduction scheme in terms of its review and approval</li> <li>• VOA returns back to what is recorded on systems</li> <li>• The process to issue demands and whether discounts or values have been applied correctly</li> <li>• How amendments to demands are actioned and critically how they are followed up</li> </ul>	This is a routine audit taken within a three year cycle and the last time this was undertaken at the Council was 20/21.

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
				<ul style="list-style-type: none"> <li>Assess KPI reporting on this area and how action is implemented</li> <li>Focus on collection of debt for council tax and NNDR in this review</li> </ul>	
Safeguarding	7,8,11	15	Q2	<p>This review will document how the Council identifies all roles and activities which may have impact on safeguarding concerns.</p> <p>From here we will assess the controls around staff receiving appropriate training against a safeguarding training needs analysis.</p> <p>The review will assess governance arrangements, who attends safeguarding meetings and how decisions and actions are taken to ensure safeguarding is appropriate. Review relationship with section 11 forms and reporting to Adult and Children's Safeguarding Boards.</p>	<p>This review has not yet been undertaken by BDO at the Council and given current events (for example, the Ukrainian and Afghan resettlement schemes, changes to the Leisure Strategy and new national requirements for local authorities pertaining to the Domestic Abuse Act 2021 with regard to providing support and accommodation to victims of domestic abuse) there is a need to ensure that safeguarding processes are established and working well at the Council.</p>
Project & Programme Management	7,8, 11	12	Q2	<p>We will examine the project and programme management guidance and mechanisms at the Council and assess if these are fit for purpose. We will sample test projects to verify that they adhere to Council guidance and best practice.</p>	<p>To gain assurance that the Council is actively mitigating any reputational risks and effectively managing its activities.</p>
GDPR Information & Governance	5	10	Q3	<p>We will assess whether the Council's GDPR arrangements are sound. There will be a focus on how the Council ensures it is compliant which will include sample testing data from different parts of the Council to ensure it is now compliant.</p> <p>We will also assess the arrangements in place to ensure there is sufficient staff capacity to meet requirements, how reporting is effective and how lessons learned are shared to ensure good/poor practice is promoted/stamped out.</p>	<p>To gain assurance that the Council is meeting regulatory requirements and customer expectations.</p>

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
Total		80			

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
<b>Future focussed reviews</b>					
Community Health & Wellbeing (with focus on Leisure Services)		15	Q3	<p>Broadly, the introduction of Integrated Care Systems (ICSs) and Partnerships (ICPs) and places an even stronger emphasis on partnership working between local government and the NHS to improve community health and wellbeing, reduce health inequalities and create 20 minute neighbourhoods. This review will be an opportunity to assess how well the Council is capturing data across its relevant service areas (leisure, housing, planning etc) and contributing to the ICP. It will also seek assurance that the current Leisure Strategy being developed effectively links in to this partnership work and leverages all the opportunities that being a part of the ICS should bring.</p> <p>We will also consider the effectiveness of leisure services in the interim period while the new Leisure Strategy is being developed and implemented. We will review whether the Council is taking appropriate action with the changing expectations to ensure maximisation of customers and income.</p> <p>A more precise scope for this review to be agreed closer to the time of audit.</p>	Given recent developments in the energy sector, and deepening of expectations with regard to local government's role in promoting health and wellbeing in its population, this will be a timely review.

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
Generating External Income	1,2	13	Q4	<p>The Council is developing its fees and charges strategy. This review will focus on the implementation of the strategy and compliance against it. This will include a review of contractual income and subsidy arrangements and the clarity of these arrangements. We will benchmark this against other local authorities.</p> <p>We will review Council arrangements for how external sources of income via grants are identified, managed and successfully bid for. The Council also generates money via advertising and sponsorship and we will also examine this by obtaining and reviewing the Marketing Strategy and the implementation of associated plans.</p>	This will be key in determining the Council's preparedness for the future.
Health and Safety	1,2,11,12	14	Late Q2	<p>We will review Health and Safety Policies and adherence to them across the Council. We will seek to verify that previous recommendations we have made relating to contractor health and safety arrangements have been adhered to.</p> <p>We will also assess training in this area and whether arrangements are effective. We will also:</p> <ul style="list-style-type: none"> <li>• Review how incidents are reported and then managed/escalated</li> <li>• Assess how sites are maintained to ensure they are safe. This includes Council offices and Council housing properties</li> <li>• Assess performance indicator information and reporting to management groups who assess this. We will review minutes and interview key stakeholders.</li> </ul>	This risk has been increased on the Council's risk scorecard. We conducted a review in 20/21 and this will be an opportunity to follow up on the findings at the time as well as assess any emerging risks in this area.
<b>Total</b>		<b>42</b>			

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
Flexible Live Assurance - To be allocated during the year as required but could include the example shown below					
Contingency Days	N/A	5	N/A	For any unexpected work or additional requirements to current budgets	Contingency
<b>Total</b>		<b>5</b>			

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
<b>Contract Management</b>					
Planning / liaison / management	N/A	3	Q1 - Q4	Creation of audit plan, meeting with Executive Directors	Effective contract management
Recommendations follow up	N/A	4	Q1 - Q4	Assessment and reporting of status of implementation of recommendations raised	Assurance for Corporate Management Team and Audit Committee
Audit Committees	N/A	4	Q1 - Q4	Attendance at Audit Committee meetings, pre-meets and Audit Committee Chair liaison	Effective contract management
<b>Total</b>		<b>11</b>			

SUMMARY	DAYS
Core Assurance	80
Future Focused Reviews	42
Flexible Audit Resource	5
Contract Management	11
<b>Total days</b>	<b>138</b>

# APPENDIX I

## INTERNAL AUDIT CHARTER - ROLE AND SCOPE OF INTERNAL AUDIT

### PURPOSE OF THIS CHARTER

This charter is a requirement of Public Sector Internal Audit Standards (PSIAS).

The charter formally defines internal audit's mission, purpose, authority and responsibility. It establishes internal audit's position within Gedling Borough Council (the Council) and defines the scope of internal audit activities.

Final approval resides with Cabinet, in practice the charter shall be reviewed and approved annually by management and by the Audit Committee on behalf of the Cabinet of the Council.

### INTERNAL AUDIT'S MISSION

Internal audit's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

### STANDARDS OF INTERNAL AUDIT PRACTICE

To fulfil its mission, internal audit will perform its work in accordance with PSIAS, which encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF): Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

### INTERNAL AUDIT DEFINITION AND ROLE

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.

Internal audit acts primarily to provide the Audit Committee with information necessary for it to fulfil its own responsibilities and duties. Implicit in internal audit's role is that it supports management to fulfil its own risk, control and compliance responsibilities. The range of work performed by internal audit is set out in PSIAS and not repeated here.

### INTERNAL AUDIT'S SCOPE

The scope of internal audit activities includes all activities conducted by the Council. The Internal Audit Plan sets out those activities that have been identified as the subject of specific internal audit engagements.

The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.

Assurance engagements involve the objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system or other subject matter. The nature and scope of the assurance engagement are determined by internal audit.

Consulting engagements are advisory in nature and are generally performed at the specific request of management, with the aim of improving governance, risk management and control and contributing to the overall opinion. The nature and scope of consulting engagement are subject to agreement with management. When performing consulting services, internal audit should maintain objectivity and not assume management responsibility.

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## EFFECTIVE INTERNAL AUDIT

Our internal audit function is effective when:

- It achieves the purpose and responsibility included in the internal audit charter
- It conforms with the Standards
- Its individual members conform with the Code of Ethics and the Standards
- It considers trends and emerging issues that could impact the organisation.

The internal audit activity adds value to Gedling Borough Council (and its stakeholders) when it considers strategies, objectives and risks, strives to offer ways to enhance governance, risk management and control processes and objectively provides relevant assurance.

We will agree with you an audit plan for a total number of days activity. Once agreed, we will turn this into a cash budget which we will work to, in order to ensure that you have certainty around the fees you will pay us.

## INDEPENDENCE AND INTERNAL AUDIT'S POSITION WITHIN GEDLING BOROUGH COUNCIL

To provide for internal audit's independence, its personnel and external partners report to the Head of Internal Audit, who reports functionally to the Audit Committee. The Head of Internal Audit has free and full access to the Chair of the Audit Committee. The Head of Internal Audit reports administratively to the Director of Corporate Resources and Section 151 Officer who provides day-to-day oversight.

The appointment or removal of the Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit Committee.

The internal audit service will have an impartial, unbiased attitude and will avoid conflicts of interest. The internal audit service is not ordinarily authorised to perform any operational duties for the Council.

In the event that internal audit undertakes non-audit activities, safeguards will be agreed to ensure that independence or objectivity of the internal audit activity are not impaired. This might include a separate partner review of the work or a different team undertaking the work. Approval of the arrangements for such engagements will be sought from the Audit Committee prior to commencement.

In the event that internal audit provides assurance services where it had previously performed consulting services, an assessment will be undertaken to confirm that the nature of the consulting activity did not impair objectivity and safeguards will be put in place to manage individual objectivity when assigning resources to the engagement. Such safeguards will be communicated to the Audit Committee.

Internal audit must be free from interference in determining the scope of internal auditing, performing work and communicating results. Should any interference take place, internal audit will disclose this to the Audit Committee to discuss the implications.

## INTERNAL AUDIT'S ROLE IN COUNTERING FRAUD, BRIBERY AND CORRUPTION

Management, not internal auditors are responsible for the prevention and detection of fraud, bribery and corruption. Auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption as well as seeking to identify indications that fraud and corruption may have been occurring. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud and corruption will be detected. In the event that internal audit suspects a fraud, this will be referred to appropriate management in the first instance and then the Audit Committee.

## ACCESS TO RECORDS AND CONFIDENTIALITY

There are no limitations to internal audit's right of access to Gedling Borough Council officers, records, information, premises, or meetings which it considers necessary to fulfil its responsibilities.

When the auditors receive confidential information about your affairs it shall at all times be kept confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable. All information will be maintained in line with appropriate regulations, for example the Data Protection Act 2018.

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## COORDINATION AND RELIANCE WITH OTHER ASSURANCE PROVIDERS

In co-ordinating activities internal audit may rely on the work of other assurance and consulting service providers.

A consistent approach is adopted for the basis of reliance and internal audit will consider the competency, objectivity, and due professional care of the assurance and consulting service providers. Due regard will be given to understanding of the scope, objectives and results of the work performed by other providers of assurance and consulting services.

Where reliance is placed upon the work of others, internal audit is still accountable and responsible for ensuring adequate support for conclusions and opinions reached by the internal audit activity.

## INTERNAL AUDIT'S COMMITMENTS TO GEDLING BOROUGH COUNCIL

Internal audit commits to the following:

- Working with management to improve risk management, controls and governance within the organisation
- Performing work in accordance with PSIAS
- Complying with the ethical requirements of PSIAS
- Dealing in a professional manner with Council staff, recognising their other commitments and pressures
- Raising issues as they are identified, so there are no surprises and providing practical recommendations
- Liaising with external audit and other regulators to maximise the assurance provided to the Council
- Reporting honestly on performance against targets to the Audit Committee.

## INTERNAL AUDIT PERFORMANCE MEASURES AND INDICATORS

The tables below contain some of the performance measures and indicators that are considered to have the most value in assessing the efficiency and effectiveness of internal audit.

The Audit Committee should approve the measures which will be reported to each meeting and / or annually as appropriate. In addition to those listed here we also report on additional measures as agreed with management and included in our Progress Report.

## QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

As required by PSIAS, an external assessment of the service will be performed at least every five years. BDO also has an internal quality assurance review process in place, which takes place annually. This is performed by a separate team independent to the internal audit team.

The results of internal and external assessments will be communicated to the Audit Committee as part of the internal audit annual report, along with corrective action plans.

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## TABLE ONE: PERFORMANCE MEASURES FOR INTERNAL AUDIT

MEASURE / INDICATOR
<p><b>Audit Coverage</b></p> <p>Annual Audit Plan delivered in line with timetable. Actual days are in accordance with Annual Audit Plan.</p>
<p><b>Relationships and customer satisfaction</b></p> <p>Customer satisfaction reports - overall score at average at least 3.5 / 5 for surveys issued at the end of each audit. Annual survey to Audit Committee to achieve score of at least 70%. External audit can rely on the work undertaken by internal audit (where planned).</p>
<p><b>Staffing and Training</b></p> <p>At least 60% input from qualified staff.</p>
<p><b>Audit Reporting</b></p> <p>Issuance of draft report within 3 weeks of fieldwork `closing` meeting. Finalise internal audit report 1 week after management responses to report are received. 90% recommendations to be accepted by management. Information is presented in the format requested by the customer.</p>
<p><b>Audit Quality</b></p> <p>High quality documents produced by the auditor that are clear and concise and contain all the information requested. Positive result from any external review.</p>

### MANAGEMENT AND STAFF COMMITMENTS TO INTERNAL AUDIT

The management and staff of Gedling Borough Council commit to the following:

- Providing unrestricted access to all of Gedling Borough Council's records, property, and personnel relevant to the performance of engagements
- Responding to internal audit requests and reports within the agreed timeframe and in a professional manner
- Implementing agreed recommendations within the agreed timeframe
- Being open to internal audit about risks and issues within the organisation
- Not requesting any service from internal audit that would impair its independence or objectivity
- Providing honest and constructive feedback on the performance of internal audit.

### MANAGEMENT AND STAFF PERFORMANCE MEASURES AND INDICATORS

The following three indicators are considered good practice performance measures but we go beyond this and report on a suite of measures as included in each Audit Committee Progress Report.

## TABLE TWO: PERFORMANCE MEASURES FOR MANAGEMENT AND STAFF

MEASURE / INDICATOR
<p><b>Response to Reports</b> Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.</p>
<p><b>Implementation of recommendations</b> Audit sponsor to implement all audit recommendations within the agreed timeframe.</p>
<p><b>Co-operation with internal audit</b> Internal audit to confirm to each meeting of the Audit Committee whether appropriate co-operation has been provided by management and staff.</p>

## BDO CONTACTS

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