



INTERNAL AUDIT ANNUAL PLAN AND THREE-YEAR STRATEGIC PLAN

GEDLING BOROUGH COUNCIL
2024/25

IDEAS | PEOPLE | TRUST



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AUDIT RISK ASSESSMENT



BACKGROUND

Our risk-based approach to internal audit uses Gedling Borough Council's own risk management process and risk register as a starting point for audit planning as this represents your own assessment of the risks to achieving your 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 2024/25 is set out on pages 8 to 14. We met with the Corporate Management Team in order to bring together a full draft plan to be presented to this Audit Committee meeting 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 to 7.



INDIVIDUAL AUDITS

When we scope each review, we will reconsider the anticipated coverage 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 or Head of Service 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 Corporate Management Team. If these were to change, or emerging risks were to develop during this period, we would take stock and evaluate our coverage accordingly.

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.

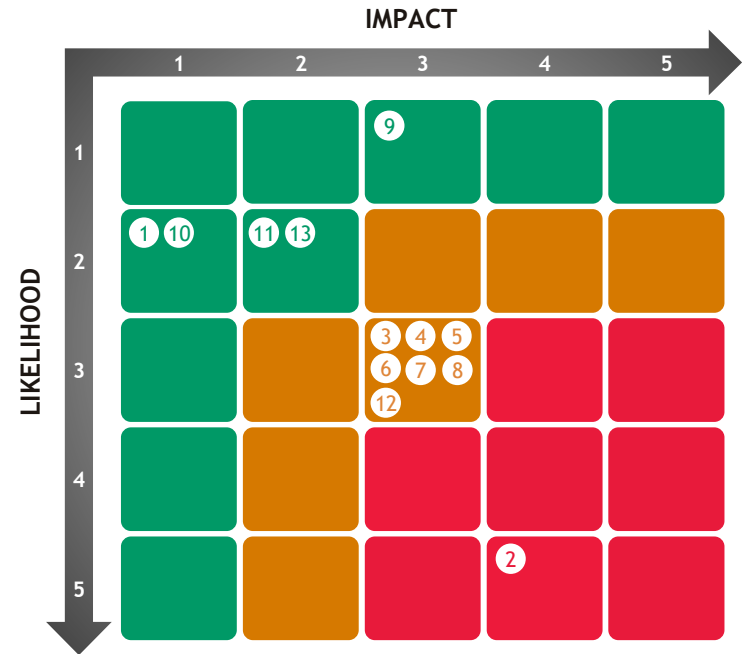
Flexible audit resource

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 once the Budget has been set	2
2	Failure to maintain financial integrity	20
3	Failure to protect staff, including health and safety issues	9
4	Failure to recruit and retain staff, and maintaining internal capacity	9
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	9
9	Inability to defend one-off challenges to a council decision or new compensation trend emerges	3
10	Failure to maintain service standards, customer satisfaction, and/or meet customer expectations	2
11	Failure to prevent damage to the council's reputation	4
12	Failure to react to an environmental incident or malicious act	9
13	Failure to react to socio-economic trends	4



MAPPING YOUR CRR TO THE STRATEGIC PLAN (1/3)

Ref	Strategic Risks from your CRR	2024/25	2025/26	2026/27
1	Failure to prevent budget overheating once the Budget has been set	<ul style="list-style-type: none"> Budget Management Temporary Accommodation 	<ul style="list-style-type: none"> Main Financial Systems Productivity Planning 	<ul style="list-style-type: none"> Main Financial Systems Capital Investment Programme <ul style="list-style-type: none"> Grant Funding Strategy <ul style="list-style-type: none"> Risk Management Leisure Services
2	Failure to maintain financial integrity	<ul style="list-style-type: none"> Budget Management <ul style="list-style-type: none"> Housing Benefits Procurement and Contract Management <ul style="list-style-type: none"> Cemeteries and Pet Crematorium Services 	<ul style="list-style-type: none"> Main Financial Systems 	<ul style="list-style-type: none"> Main Financial Systems Capital Investment Programme <ul style="list-style-type: none"> Risk Management
3	Failure to protect staff, including health and safety issues	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Waste and Recycling (inc. preparedness for the new Waste Regulations) 	<ul style="list-style-type: none"> Risk Management Leisure Services
4	Failure to recruit and retain staff, and maintaining internal capacity	<ul style="list-style-type: none"> Equality, Diversity and Inclusion (Workforce) 	<ul style="list-style-type: none"> People (Workforce) Services 	<ul style="list-style-type: none"> N/A
5	Failure to properly utilise existing ICT, react to technology changes, and prevent data loss	<ul style="list-style-type: none"> IT Disaster Recovery Plan 	<ul style="list-style-type: none"> Digital Strategy 	<ul style="list-style-type: none"> Cyber Security Community Safety (including CCTV)
6	Failure to protect and utilise physical assets	<ul style="list-style-type: none"> Temporary Accommodation <ul style="list-style-type: none"> Fleet Management 	<ul style="list-style-type: none"> Asset Management 	<ul style="list-style-type: none"> Capital Investment Programme Community Safety (including CCTV) <ul style="list-style-type: none"> Leisure Services

MAPPING YOUR CRR TO THE STRATEGIC PLAN (2/3)

Ref	Strategic Risks from your CRR	2024/25	2025/26	2026/27
7	Failure to react to changes in legislation	<ul style="list-style-type: none"> Procurement and Contract Management 	<ul style="list-style-type: none"> Waste and Recycling (inc. preparedness for the new Waste Regulations) 	<ul style="list-style-type: none"> Community Safety (including CCTV) <ul style="list-style-type: none"> Planning Services Freedom of Information Requests Risk Management Community Safety (including CCTV)
8	Failure of contractors or partnership arrangements - contractual breaches	<ul style="list-style-type: none"> Procurement and Contract Management Environment - Carbon Management Strategy 		<ul style="list-style-type: none"> Governance of Partnership Arrangements Leisure Services
9	Inability to defend one-off challenges to a council decision or new compensation trend emerges	<ul style="list-style-type: none"> Budget Management 	<ul style="list-style-type: none"> Main Financial Systems Customer Experience and Complaints <ul style="list-style-type: none"> Productivity Planning Parks and Street Care (with a focus on Health and Safety Management) 	<ul style="list-style-type: none"> Main Financial Systems
10	Failure to maintain service standards, customer satisfaction, and/or meet customer expectations	<ul style="list-style-type: none"> Fleet Management Cemeteries and Pet Crematorium Services 	<ul style="list-style-type: none"> Productivity Planning Parks and Street Care (with a focus on Health and Safety Management) Customer Experience and Complaints 	<ul style="list-style-type: none"> Governance of Partnership Arrangements <ul style="list-style-type: none"> Planning Services Funding Strategy Leisure Services

MAPPING YOUR CRR TO THE STRATEGIC PLAN (3/3)

Ref	Strategic Risks from your CRR	2024/25	2025/26	2026/27
11	Failure to prevent damage to the council's reputation	<ul style="list-style-type: none"> Budget Management Environment - Carbon Management Strategy 	<ul style="list-style-type: none"> Customer Experience and Complaints 	<ul style="list-style-type: none"> Governance of Partnership Arrangements Freedom of Information Requests <ul style="list-style-type: none"> Leisure Services Risk Management
12	Failure to react to an environmental incident or malicious act	<ul style="list-style-type: none"> Environment - Carbon Management Strategy Fleet Management 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Risk Management
13	Failure to react to socio-economic trends	<ul style="list-style-type: none"> Housing Benefits Temporary Accommodation 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Risk Management Leisure Services

INTERNAL AUDIT OPERATIONAL PLAN 2024/25 (1/7)

Area	CRR	Days	Timing	Description of the Review	Reason for Inclusion
Core Assurance					
Budget Management	1, 2	13	Q4	<p>The purpose of this review is to provide assurance over the Council's budget management processes and procedures. This will include:</p> <ul style="list-style-type: none"> • Training and guidance for budget holders • Monthly reporting to budget holders and re-forecasting • Oversight of budget performance and position by Corporate Management Team, Senior Leadership Team and Members. 	<p>Challenges in maintaining financial integrity, including the Council's ability to meet its long-term financial commitments is a high risk on the Corporate Risk Register (Risk Score: E5). This is partly due to the difficulties in meeting the £2.857m efficiency target amidst inflationary pressures, restriction on local government funding and pay rises.</p> <p>There has also been an increase in Section 114 notices issued across the sector, with councils declaring that they will not balance the budget. Therefore, we have included this in the 2024/25 Plan to provide the Council with assurance over its budget management procedures.</p>
Housing Benefits	2, 13	13	Q1	<p>This review will assess the Council's policies and procedures for processing housing benefit applications. As part of the review we will test a sample of housing benefits payments to ensure that these were paid accurately and for a valid application. We will also assess whether 'change in circumstances' have been processed correctly.</p>	<p>It was estimated in FY2022 the rate of overpayment for housing benefits was 5.3%.</p> <p>Our last review of Housing Benefits was in 2021/22 therefore, as this is a high valued areas of spend for the Council, it has included in the Internal Audit Plan for 2024/25 to provide ongoing assurance of the controls.</p>

INTERNAL AUDIT OPERATIONAL PLAN 2024/25 (2/7)

Area	CRR	Days	Timing	Description of the Review	Reason for Inclusion
Core Assurance					
Fleet Management	6, 10	14	Q2	<p>We will review the Council's management of its fleet of vehicles, including the following areas:</p> <ul style="list-style-type: none"> The vehicle replacement programme to ascertain whether vehicles are replaced at the end of their useful lifecycle and in line with the objectives of the Carbon Management Strategy Action Plan. Scheduling of vehicle maintenance, checks and repairs. Stock management control in the vehicle maintenance workshop. Compliance with the O-Licence conditions. 	<p>The Council have a fleet of 64 vehicles, comprising of heavy goods vehicles, sweepers and vans. The Council declared a climate emergency in 2019 and have developed a Carbon Management Strategy Action Plan to outline its delivery of the plan. This includes decarbonising the fleet and installing Electric Vehicle infrastructure. In its Gedling Plan, the Council have expressed its commitment to being carbon neutral by 2030, therefore, this is a critical area of assurance to support its strategic objectives.</p> <p>Vehicle maintenance, checks and repairs are provided by the workshop. As an operator of heavy goods vehicles, the Council holds an O-Licence. It could have its licence removed, which would significantly impact service delivery, if it fails to comply with the conditions.</p>
Cemeteries and Pet Crematorium Services	2, 10	13	Q1	<p>This review will assess the income charging and collection arrangements from cemeteries and the Gedling Pet Cremations Services.</p> <p>We will also assess the staffing and resource management for cemeteries and pet cremations to ensure that sufficient cover is provided during opening times to maximise income for the Council through the provision of services.</p>	<p>The Council have three cemeteries (Carlton, Redhill and Gedling) and Gedling Pet Cremation Services. To support a breakeven budget, the Council have identified income generation opportunities, including through its cemeteries and pet cremation services.</p>

INTERNAL AUDIT OPERATIONAL PLAN 2024/25 (3/7)

Area	CRR	Days	Timing	Description of the Review	Reason for Inclusion
Core Assurance					
Temporary Accommodation	1, 6, 13	14	Q3	This will be a risk-based review of the Council's management of its temporary accommodation, assessing whether individual placements comply with statutory requirements and are cost-effective properties amidst budgetary and inflationary pressures. We will review the budget proposals for investment in further housing stock in 2024/25 to assess whether this is supported by a clear temporary accommodation strategy.	The Council have a statutory responsibility to provide temporary accommodation in certain circumstances when an individual presents as homeless. Due to inflationary and cost-of-living pressures and schemes such as the Afghan Resettlement Programme (to support refugees), there has been increase demands and financial pressures on the provision of temporary accommodation. As such, the Council have invested in housing stock and leased properties from the County Council to reduce the costs of temporary accommodation.
Procurement and Contract Management	2, 7, 8	15	Q2	<p>We will use data analytics to identify high risk procurements using the Council's purchase ledger data and its Contracts Register. We will then test a sample of non-compliance with procurement rules from our data analytics to get to the root cause of the reason for this.</p> <p>Our review will also assess the effectiveness of contract management arrangements with key suppliers, to ascertain whether there is robust oversight of contractor performance and escalation where appropriate.</p>	<p>Our use of data analytics will allow us to focus the review on higher risk cases, providing the Council with deeper insights into non-compliance with procurement rules to ascertain the root cause. Procurement is a key risk for all local authorities, to demonstrate value for money with its stakeholders.</p> <p>Similarly, effective contract management procedures are critical to ensure that contracts are delivered effectively and in line with agreed conditions. Failure of contractors or partnerships is a medium risk on the Corporate Risk Register (Risk Score: C3). Additionally, the Council are rolling out a new e-procurement system, Intend. Bolsover District Council (BDC) provide the procurement function to the Council so it will be critical to understand the role of each party to ensure the system is used effectively.</p>

INTERNAL AUDIT OPERATIONAL PLAN 2024/25 (4/7)

Area	CRR	Days	Timing	Description of the Review	Reason for Inclusion
Soft Controls					
Equality, Diversity and Inclusion	4	14	Q4	<p>This review will provide assurance over the Council’s policies, processes and procedures to promote and support EDI within its workforce. It will also assess the effectiveness of data collection, monitoring and reporting for EDI purposes. We will assess what data is shared across the organisation and how this is used to inform corporate and departmental decision-making.</p> <p>We will seek supporting evidence for the status of actions agreed in the amended Equality and Diversity Policy 2024-27.</p> <p>We have undertaken EDI reviews at other local authorities, and we will therefore seek to share best practice identified in our review.</p>	<p>EDI is a key issue across the local government sector. The Council has made a commitment in its Gedling Plan to embracing all aspect of EDI to create a health workforce. Therefore, this review will provide assurance over actions taken to achieve this objective.</p> <p>The Council have an Equality and Diversity Framework 2021-24 which is monitored and overseen by the Strategy Equality and Diversity Group. The Council is in the process of amending its Equality and Diversity Policy 2024-27, which was presented to Cabinet in January 2024 with the recommendation to go out to consultation. Therefore, our review has been deliberately timed for Quarter 4 to assess the actions that the Council have taken towards implementing its new policy, allowing time for the policy to be embedded.</p>

INTERNAL AUDIT OPERATIONAL PLAN 2024/25 (5/7)

Area	CRR	Days	Timing	Description of the Review	Reason for Inclusion
Future Focussed Assurance					
IT Disaster Recovery Plan	5	14	Q3	<p>We will provide assurance over the Council's IT disaster recovery planning to assess whether sufficient systems and controls are in place to prevent the loss of data or systems in the event of a disaster. This will include and assessment of system and data back-ups.</p> <p>We will use our specialist IT Audit Team to deliver this piece of work.</p>	<p>The Council is in the process of updating its Digital/IT Strategy. The risk of failing to properly utilise existing ICT, react to technology changes, and prevent data loss is identified as a medium risk on the Corporate Risk Register (Risk Score: C3), recognising the increase in risk facing local authorities. More widely, there is an increase in the number of reported cyber-attacks on local authorities, by 50% in some instances. This is alongside an increase in other natural disasters such as flooding which could cause disruption to the Council's IT systems and data.</p> <p>Therefore, it is critical that local authorities have sufficient controls to support effective IT disaster recovery planning.</p>
Environment - Carbon Management Strategy	8, 11, 12	15	Q2	<p>This review will assess the Council's governance, monitoring and oversight of its Carbon Management Strategy Action Plan, including whether climate-related actions are incorporated into key decision-making. We will also assess the Environment data collection and reporting to ascertain whether it is used effectively to feed into the overarching strategy and priorities. The review will assess training provided to staff on their roles and responsibilities for managing climate change.</p>	<p>Managing climate change is a key feature of the 'Place' priority in the Gedling Plan 2023-27, following the climate emergency declaration by the Council in 2019. It has developed its Carbon Management Strategy Action Plan to support the delivery of its climate objective of being carbon neutral by 2030. The Council has appointed a Climate Change Officer to lead and guide on this ambition.</p> <p>Climate change is becoming increasingly significant to local authorities, particularly following recent weather events, including heatwaves and flooding. This is recognised on the CRR as a medium risk (Risk Score: C3).</p>

INTERNAL AUDIT OPERATIONAL PLAN 2024/25 (6/7)

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	N/A	5	All	Contingency days left to allocate to flexible work.	We have built in an allocation of flexible days into our plan to support the Council on emerging risks or projects during the year.

INTERNAL AUDIT OPERATIONAL PLAN 2024/25 (7/7)

Area	CRR	Days	Timing	Description of the Review	Reason for Inclusion
Contract Management					
Planning / liaison / management	N/A	8	Q1 - Q4	Creation of audit plan, meeting with Executive Directors	Effective contract management
Recommendation follow up	N/A	7	Q1 - Q4	Assessment and reporting of status of implementation of recommendations raised	Assurance for Executive Team and Audit Committee
Audit Committee	N/A	5	Q1 - Q4	Attendance at Audit Committee meetings, pre-meets and Audit Committee Chair liaison	Effective contract management
Summary					
Core assurance	Various	82			
Soft controls	Various	14			
Future focused	Various	29			
Flexible audit resource	Various	5			
Contract Management		20			
Total days		150			

APPENDIX I (1/5)

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 the Full Council (the Board), in practice the charter shall be reviewed and approved annually by management and by the Audit Committee on behalf of the Board 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.

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.

APPENDIX I (2/5)

Internal Audit Charter - Role and Scope of Internal Audit

The internal audit activity adds value to the 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 Interim Corporate Director 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 the Council's 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.

APPENDIX I (3/5)

Internal Audit Charter - Role and Scope of Internal Audit

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 THE 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 the Council's 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 on the following pages 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.

APPENDIX I (4/5)

Internal Audit Charter - Role and Scope of Internal Audit

TABLE ONE: PERFORMANCE MEASURES FOR INTERNAL AUDIT

Measure / Indicator

Audit Coverage

Annual Audit Plan delivered in line with timetable.

Actual days are in accordance with Annual Audit Plan.

Relationships and customer satisfaction

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).

Staffing and Training

At least 60% input from qualified staff.

Audit Reporting

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.

Audit Quality

High quality documents produced by the auditor that are clear and concise and contain all the information requested.

Positive result from any external review.

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 the 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 three indicators on the following page 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.

APPENDIX I (5/5)

Internal Audit Charter - Role and Scope of Internal Audit

TABLE TWO: PERFORMANCE MEASURES FOR MANAGEMENT AND STAFF

Measure / Indicator

Response to Reports

Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.

Implementation of recommendations

Audit sponsor to implement all audit recommendations within the agreed timeframe.

Co-operation with internal audit

Internal audit to confirm to each meeting of the Audit Committee whether appropriate co-operation has been provided by management and staff.

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