

INTERNAL AUDIT ANNUAL PLAN

RUSHCLIFFE BOROUGH
COUNCIL

2023/24

IDEAS | PEOPLE | TRUST



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AUDIT RISK ASSESSMENT

BACKGROUND

Our risk-based approach to internal audit uses Rushcliffe Borough 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 14-20. We met with the Deputy Chief Executive and Director of Finance and Corporate Service; the Service Manager, Finance; consulted all other heads of service and the Governance Scrutiny Group Chair in order to bring together a full plan which will be presented at this Governance Scrutiny Group 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 9-13.

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.

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

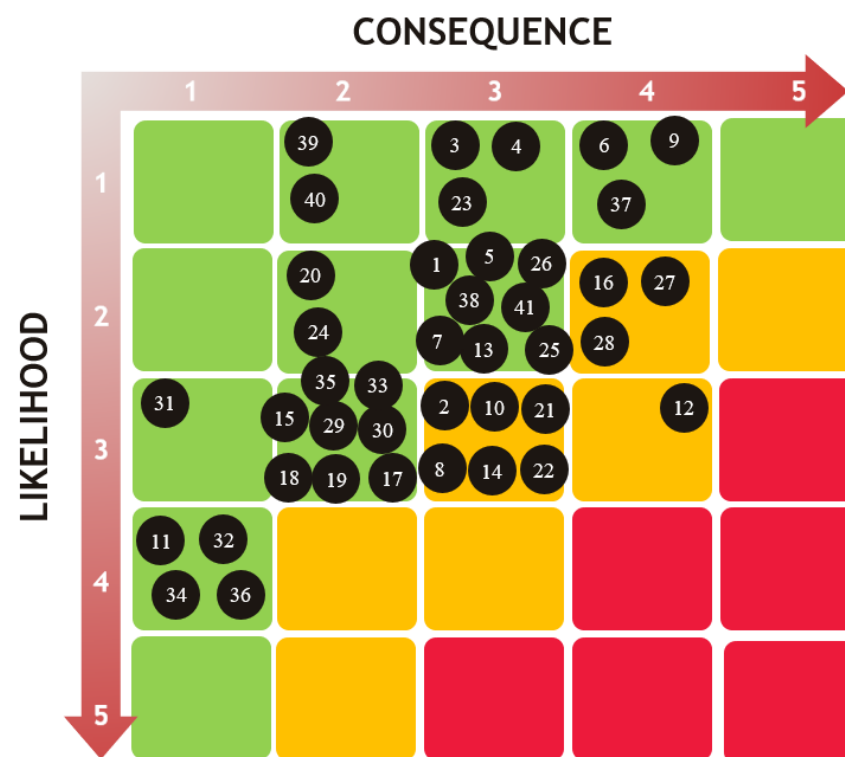
Undertake proactive work across the [Council/Trust/ICB], perhaps in preparation for regulatory reviews or change management programmes.



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MAPPING YOUR STRATEGIC RISKS

REF	STRATEGIC RISKS FROM YOUR CRR	SCORE
1	Equal pay claim	6
2	Insufficient staff capacity - skills, knowledge etc.	9
3	Inability to demonstrate a five-year supply of deliverable housing sites against the housing target leading to further development on unallocated sites	3
4	Failure to properly manage our property assets	3
5	Ability to deliver Rushcliffe Oaks project on time and within budget	6
6	Ability to deliver Bingham Arena and Enterprise Centre project on time and within budget	4
7	Failure to deliver the new core strategy in partnership with Greater Nottingham Housing Market area	6
8	Failure to secure the Local Development Order for the Ratcliffe on Soar site	9



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REF	STRATEGIC RISKS FROM YOUR CRR	SCORE
9	Failure to properly deal with community governance review legislation, Community Right to Challenge, and nominations for assets of community value	4
10	Reduction in Government funding linked to New Homes Bonus Fairer funding and business rates reviews and the impact of the overall Comprehensive Spending Review	9
11	Failure to prevent or detect fraud and corruption	4
12	Revaluation of major business rate payer ie the impact of Ratcliffe on Soar Power Station closure	12
13	Lack of funding from partners	6
14	Central Government policy changes	9
15	Inadequate capital resources	6
16	Fee income volatility	8
17	Increased demand for services	6
18	Risk and return from Asset Investment Strategy	6
19	Failure to deliver the Transformation Strategy	6
20	Failure to properly manage and deliver significant projects	4
21	Potential inflationary pressures, with volatility over prediction for budget	9

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REF	STRATEGIC RISKS FROM YOUR CRR	SCORE
22	Uncertainty around Government funding and changes to the business rates system with a one-year financial settlement	9
23	ICT supplier goes out of business	6
24	Long term loss/failure of main ICT systems	4
25	Loss or compromise of sensitive data	6
26	Short term loss/failure of main ICT systems	6
27	Threat of major successful cyber-attack	8
28	Failure to comply with General Data Protection Regulation	8
29	Loss or compromise of confidential or restricted information or data	6
30	Increases in interest rates which potentially increases the burden if the Council has to borrow	6
31	Failure of internal health and safety compliance or enforcement of health and safety	3
32	Unforeseen incidents happening at public events	4
33	Failure of business continuity	6
34	Ineffective emergency planning arrangements	4
35	Response to flooding impacts on delivery of statutory services	6
36	Inadequate resources to respond to flooding incidents	4

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REF	STRATEGIC RISKS FROM YOUR CRR	SCORE
37	Failure of public sector partnerships / withdrawal of financial support	4
38	Failure to safeguard children and vulnerable adults	6
39	Ensuring the Afghan Relocation Programme is supported in accordance with national guidance (funding and community cohesion)	2
40	Ensure the Homes for Ukraine Scheme is supported in accordance with national guidance (funding & community cohesion)	2
41	Failure to deliver the Carbon management plan objectives	6

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MAPPING YOUR CRR TO THE STRATEGIC PLAN

REF	STRATEGIC RISKS FROM YOUR CRR	2023/24	2024/25	2025/26
1	Equal pay claim	• N/A	• Equality, Diversity and Inclusion	• N/A
2	Insufficient staff capacity - skills, knowledge etc.	• N/A	• Workforce and Succession Planning	• N/A
3	Inability to demonstrate a five-year supply of deliverable housing sites against the housing target leading to further development on unallocated sites	• N/A	• Local Development Plan	• Building Control and Development Management
4	Failure to properly manage our property assets	• N/A	N/A	• Asset Investment and Management
5	Ability to deliver Rushcliffe Oaks project on time and within budget	• Rushcliffe Oaks Crematorium - Income	• Budgetary Control • Contract Management and Procurement	• N/A
6	Ability to deliver Bingham Arena and Enterprise Centre project on time and within budget	• N/A	• Budgetary Control • Contract Management and Procurement	• N/A
7	Failure to deliver the new core strategy in partnership with Greater Nottingham Housing Market area	• Governance of Partnership Arrangements	N/A	• N/A
8	Failure to secure the Local Development Order for the Ratcliffe on Soar site	N/A	• Local Development Plan	• N/A

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REF	STRATEGIC RISKS FROM YOUR CRR	2023/24	2024/25	2025/26
9	Failure to properly deal with community governance review legislation, Community Right to Challenge, and nominations for assets of community value	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Assets of Community Value
10	Reduction in Government funding linked to New Homes Bonus Fairer funding and business rates reviews and the impact of the overall Comprehensive Spending Review	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Council Tax and Business Rates
11	Failure to prevent or detect fraud and corruption	<ul style="list-style-type: none"> Fraud Report Reconciliations Main Financial Systems 	<ul style="list-style-type: none"> Main Financial Systems Fraud Report 	<ul style="list-style-type: none"> Main Financial Systems Fraud Report
12	Revaluation of major business rate payer ie the impact of Ratcliffe on Soar Power Station closure	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Council Tax and Business Rates
13	Lack of funding from partners	<ul style="list-style-type: none"> Governance of Partnership Arrangements 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
14	Central Government policy changes	<ul style="list-style-type: none"> Governance of Partnership Arrangements 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
15	Inadequate capital resources	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Budgetary Control Main Financial Systems 	<ul style="list-style-type: none"> Main Financial Systems
16	Fee income volatility	<ul style="list-style-type: none"> Country Parks Income Crematorium Income Markets 	<ul style="list-style-type: none"> Budgetary Control Car Parking 	<ul style="list-style-type: none"> N/A
17	Increased demand for services	<ul style="list-style-type: none"> Country Parks Income Crematorium Income Markets 	<ul style="list-style-type: none"> Budgetary Control Contract Management and Procurement Car Parking 	<ul style="list-style-type: none"> N/A

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REF	STRATEGIC RISKS FROM YOUR CRR	2023/24	2024/25	2025/26
18	Risk and return from Asset Investment Strategy	• N/A	• N/A	• Asset Investment and Management
19	Failure to deliver the Transformation Strategy	• Governance of Partnership Arrangements	• Budgetary Control	• N/A
20	Failure to properly manage and deliver significant projects	• N/A	• Budgetary Control • Contract Management and Procurement	• N/A
21	Potential inflationary pressures, with volatility over prediction for budget	• Main Financial Systems	• Main Financial Systems	• Main Financial Systems
22	Uncertainty around Government funding and changes to the business rates system with a one-year financial settlement	• N/A	• N/A	• Council Tax and Business Rates
23	ICT supplier goes out of business	• IT General Controls / Strategy	• N/A	• N/A
24	Long term loss/failure of main ICT systems	• IT General Controls / Strategy	• N/A	• N/A
25	Loss or compromise of sensitive data	• IT General Controls / Strategy	• N/A	• N/A
26	Short term loss/failure of main ICT systems	• IT General Controls / Strategy	• Cyber Security	• N/A
27	Threat of major successful cyber-attack	• N/A	• Cyber Security	• N/A
28	Failure to comply with General Data Protection Regulation	• IT General Controls / Strategy	N/A	• GDPR

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REF	STRATEGIC RISKS FROM YOUR CRR	2023/24	2024/25	2025/26
29	Loss or compromise of confidential or restricted information or data	• IT General Controls / Strategy	• N/A	• GDPR
30	Increases in interest rates which potentially increases the burden if the Council has to borrow	• N/A	• Budgetary Control	• Main Financial Systems
31	Failure of internal health and safety compliance or enforcement of health and safety	• N/A	• Business Continuity & Emergency Planning	• Health and Safety
32	Unforeseen incidents happening at public events	• N/A	• Events Management • Business Continuity & Emergency Planning	• N/A
33	Failure of business continuity	• N/A	• Business Continuity & Emergency Planning	• N/A
34	Ineffective emergency planning arrangements	• N/A	• Business Continuity & Emergency Planning	• Health and Safety
35	Response to flooding impacts on delivery of statutory services	• N/A	• Business Continuity & Emergency Planning	• N/A
36	Inadequate resources to respond to flooding incidents	• N/A	• Business Continuity & Emergency Planning	• Health and Safety
37	Failure of public sector partnerships / withdrawal of financial support	• Governance of Partnership Arrangements	• N/A	• N/A
38	Failure to safeguard children and vulnerable adults	• N/A	• N/A	• Leisure Contracts • Homelessness and Temporary Accommodation (National Schemes: Afghanistan; Ukraine; Domestic Abuse)

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REF	STRATEGIC RISKS FROM YOUR CRR	2023/24	2024/25	2025/26
39	Ensuring the Afghan Relocation Programme is supported in accordance with national guidance (funding and community cohesion)	• N/A	• N/A	• Homelessness and Temporary Accommodation (National Schemes: Afghanistan; Ukraine; Domestic Abuse)
40	Ensure the Homes for Ukraine Scheme is supported in accordance with national guidance (funding & community cohesion)	• N/A	• N/A	• Homelessness and Temporary Accommodation (National Schemes: Afghanistan; Ukraine; Domestic Abuse)
41	Failure to deliver the Carbon management plan objectives	• Fleet Management and Air Pollution	• Waste and Recycling	• Environment - Carbon Management Plan

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INTERNAL AUDIT OPERATIONAL PLAN 2023/24

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
Core Assurance					
Main Financial Systems	11,21	18	Q2	This review will focus on Treasury Management and include reviewing if the Council has adequately met the CIPFA Treasury Management in the Public Services Code of Practice in particular in relation to Environmental, Social and Governance (ESG) requirements.	<ul style="list-style-type: none"> Main financial system areas are a critical risk Treasury Management is part of our 3 year MFS cycle and is therefore due a review as part of this cycle of activity This is a staple review that is incorporated in all local authority audit plans across the country. This is because it is a recognised risk area as it contains critical controls which underpin the integrity of a Council
Reconciliations	11	17	Q2	To ascertain all key transaction areas for the Council and understand the reconciliations procedure for each between internal reports, cash and to the General Ledger.	<ul style="list-style-type: none"> This has been identified as an area of control weakness in some other local authorities that can exacerbate the risk of fraud
Governance of Partnership Arrangements	13,14,19,37	15	Q1	<p>There has been a growth of place-based and themed partnership arrangements. These have largely been designed to implement and administer arrangements within defined areas focussed upon common objectives.</p> <p>This partnerships to be reviewed will be agreed with Executive Management prior to the audit but will likely include:</p>	<ul style="list-style-type: none"> The Council relies on its partnership arrangements for some key operational activities and funding arrangements

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AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
				<ul style="list-style-type: none"> The Joint Planning and Advisory Board (Nottingham City, Nottinghamshire County Council, Broxtowe BC, Gedling BC, Erewash DC and Rushcliffe BC); the Greater Nottingham Housing Market area Joint safeguarding groups <p>We will review the key aspects of the partnerships governance arrangements and monitoring/management in place.</p>	
Fraud Report	11	10	Q1	Provide an annual report on the activities of the Council and areas of potential fraud such as council tax and benefits as well as compliance with functional standards and ensuring up to date policies and procedures are in place.	<ul style="list-style-type: none"> Risk to all Councils and identified as a corporate risk This includes corporate fraud and benefits fraud Council take part in NFI CIFAS reporting in 2019 the rise of local authority fraud and lack of identification across the sector
Markets	16,17	8	Q2	<ul style="list-style-type: none"> Assess the formal cash collection process in place at the market Liaise and visit the external suppliers to understand their arrangements once the cash is collected, including security of the cash Sample test 15 market cash collection cases 	<ul style="list-style-type: none"> Risks of working with cash include miscalculations, misplacing cash, human error, theft and fraud
Rushcliffe Oaks Crematorium - Income	5, 16,17	15	Q4	The Council is due to open a new crematorium, Rushcliffe Oaks in the Spring of 2023. This review will:	<ul style="list-style-type: none"> This is a new area of income so management would like assurance on the

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AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
				<ul style="list-style-type: none"> • assess the fee setting and collection processes in place at the crematorium • review income data to ensure it is valid and correct to inform decision making 	controls in place to effectively manage and monitor it
Country Parks - Income	16,17	15	Q3	<ul style="list-style-type: none"> • Assess the formal cash collection process in place at the Rushcliffe Country Park • Liaise and visit the external suppliers to understand their arrangements once the cash is collected, including security of the cash • Sample test 15 Rushcliffe Country Park cash collection cases 	<ul style="list-style-type: none"> • Fee income volatility and income concerns feature in the Council's corporate risk register • As an area that works with cash directly there is scope for fraud
Total		98			

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AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
Future focussed reviews					
IT General Controls/Strategy	23-26;28,29	15	Q4	<p>The Council has an ICT strategy in place 2022-2025. The Terms of reference for this review is to be discussed, however in summary the review will look at some or all of the following:</p> <ul style="list-style-type: none"> IT General Controls - examining application; password and user access and segregation of duties controls Whether the Council's IT strategy has been appropriately developed considering the increased risk that has emerged as a result of post-covid working arrangements. 	We are aware of deficiencies in other local authority's IT General Controls that can exacerbate the risk of fraud and management would like assurance that there are no control gaps in its IT controls environment.
Fleet Management and Air Pollution	41	15	Q3	<ul style="list-style-type: none"> Rushcliffe has 23 frontline refuse collection vehicles ranging from 15 to 32 Gross Vehicle Weight vehicles Streetwise Environmental which provides grounds maintenance and services has also been brought in-house to the Council This review will assess that the Council's Fleet Management processes are in place and ensure there is an adequate fleet management strategy to manage fleet adequately We will review the processes the Council has used to become carbon neutral and support its green infrastructure in relation to fleet, including the Council's work with the wider Air Quality Strategy within Nottinghamshire. 	<ul style="list-style-type: none"> The Council has brought Streetwise Environmental in-house and there are inherent risks and benefits associated with this As part of the Council's net zero carbon commitments, and addressing the Government's Air Quality (England) 2000 regulations, the effective identification, reduction and monitoring of air quality in the borough is critical.
Total		30			

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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	3	TBC	Contingency days left available for flexible work	.
Total		3			

AREA	CRR	DAYS	TIMING	DESCRIPTION OF THE REVIEW	REASON FOR INCLUSION
Contract Management					
Planning / liaison / management	N/A	7	Q1 - Q4	Creation of audit plan, meeting with Executive Directors	Effective contract management
Recommendations follow up	N/A	7	Q1 - Q4	Assessment and reporting of status of implementation of recommendations raised	Assurance for Executive Team and Governance Scrutiny Group
[Audit Committees]	N/A	5	Q1 - Q4	Attendance at Governance Scrutiny Group meetings, pre-meets and Audit Committee Chair liaison	Effective contract management
Total		19			

SUMMARY	DAYS
Core Assurance	98
Future Focused Reviews	30

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SUMMARY	DAYS
Flexible Audit Resource	3
Contract Management	19
Total days	150

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 Rushcliffe Borough Council and defines the scope of internal audit activities.

Final approval resides with the Council, in practice the charter shall be reviewed and approved annually by management and by the Governance Scrutiny Group on behalf of the Cabinet of Rushcliffe Borough 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 Governance Scrutiny Group 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 Rushcliffe Borough 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 Rushcliffe 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 RUSHCLIFFE 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 Governance Scrutiny Group. The Head of Internal Audit has free and full access to the Chair of the Governance Scrutiny Group. The Head of Internal Audit reports administratively to the Deputy Chief Executive and Director of Finance 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 Governance Scrutiny Group.

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 Rushcliffe Borough 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 Governance Scrutiny Group 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 Governance Scrutiny Group.

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 Governance Scrutiny Group 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 Governance Scrutiny Group.

ACCESS TO RECORDS AND CONFIDENTIALITY

There are no limitations to internal audit's right of access to Rushcliffe Borough 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.

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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 RUSHCLIFFE 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 Governance Scrutiny Group.

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 Governance Scrutiny Group 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****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 Governance Scrutiny Group 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 Rushcliffe Borough Council commit to the following:

- Providing unrestricted access to all of Rushcliffe 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 Governance Scrutiny Group Progress Report.

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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 Governance Scrutiny Group whether appropriate co-operation has been provided by management and staff.

BDO CONTACTS

NAME	GRADE	EMAIL
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