

Somerset West and Taunton Council

Proposed 2020-21 Internal Audit Plan and Internal Audit Charter

The Internal Audit Plan: Summary

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2020/21 financial year.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage, will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.



Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective opinion on the Authority's risk management, governance, and control environment by evaluating its effectiveness.

Prior to the start of each financial year, SWAP, in conjunction with senior management, put together a proposed plan of audit work. The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

It should be noted that internal audit is only one source of assurance, and the outcomes of internal audit reviews should be considered alongside other sources, as part of the 'three lines of defence' assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Authority's Annual Governance Statement (AGS).

It is the responsibility of the Authority's Senior Management Team and the Audit, Governance and Standards Committee, to confirm that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Senior Management Team and Audit, Governance and Standards Committee?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, in order to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.



Approach to Internal Audit Planning 2020/21

The factors considered in putting together the 2020/21 internal audit plan have been set out below:



Due to the pace of change within Local Authorities, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to delivering your internal audit plan will remain flexible to meet that change and respond to new and emerging risks. We will adopt an 'agile' approach and each quarter I will review the next quarter's plan to ensure that we are auditing the right areas at the right time; any necessary changes will of course be agreed with Senior Management and the Audit, Governance and Standards Committee will be kept informed.

The Internal Audit Plan: Risk Assessment

A documented risk assessment prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

As above, it is the responsibility of the Authority's Leadership Team, and the Audit Committee to ensure that, following our risk assessment, the proposed plan contains sufficient and appropriate coverage.



Internal Audit Annual Risk Assessment

Our 2020/21 internal audit programme of work is based on a documented risk assessment, which SWAP will revisit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register will be considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for Somerset West and Taunton Council:



The Internal Audit Plan: Coverage

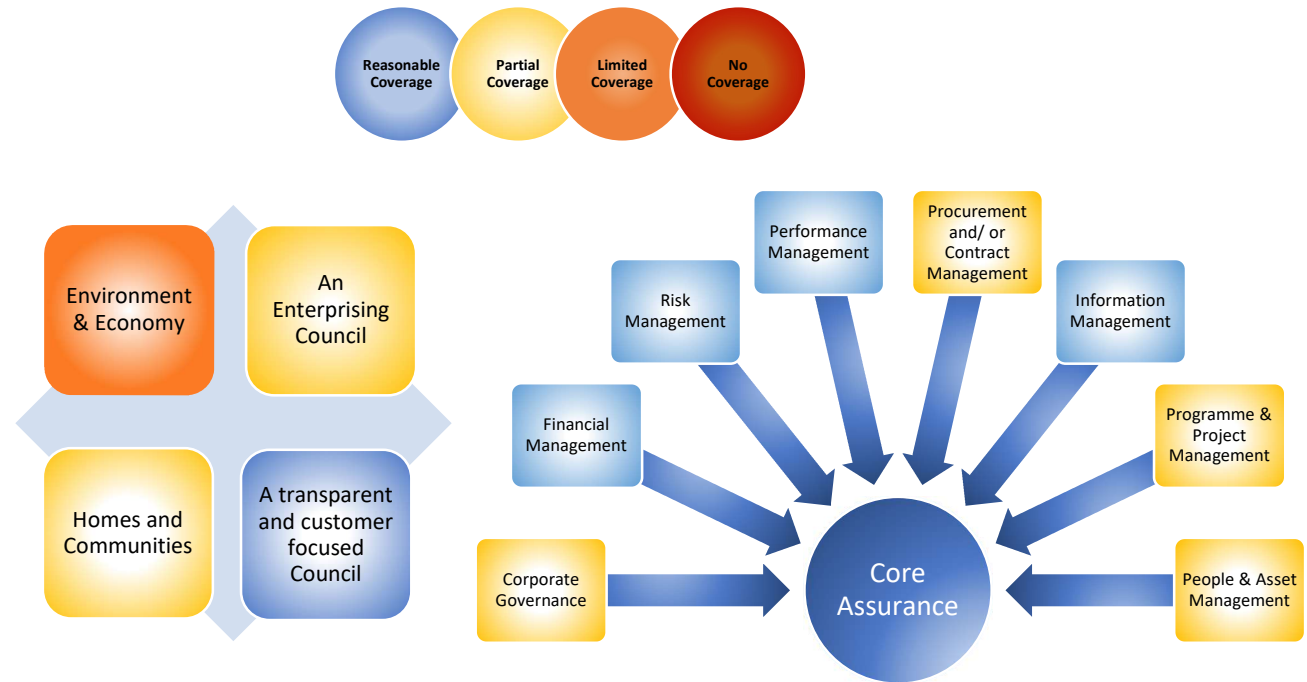
Following our SWAP Risk Assessment above, we have set out how the proposed 20/21 plan presented in Appendix 1 provides coverage of the Authority's key corporate outcomes, as well as our core areas of recommended coverage.

Internal audit is only one source of assurance; therefore, where we have highlighted gaps in our coverage, assurance should be sought from other sources where possible in order to ensure sufficient and appropriate assurances are received.



Internal Audit Coverage in 2020/21

Following our SWAP risk assessment, we have set out below the extent to which the proposed plan presented in Appendix 1 provides coverage of the Authority's key corporate objectives, as well as our core areas of recommended coverage. Where we have highlighted limited or no coverage, Senior Management and Audit, Governance and Standards Committee should seek and document assurance from alternative sources, or consider re-focussing internal audit resource to provide coverage of these areas:



Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

The Internal Audit Plan: SWAP

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 24 public sector partners, crossing eight Counties, but also providing services throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated



Your Internal Audit Service

Audit Resources

The 2020/21 internal audit programme of work will be equivalent to 380 days. The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the planned work. The key contacts in respect of your internal audit service for Somerset West and Taunton are:

Alastair Woodland, Assistant Director – alastair.woodland@swapaudit.co.uk, 07720312467

Adam Williams, Principal Auditor – adam.williams@swapaudit.co.uk

Nick Hammacott, Senior Auditor – nick.hammacott@swapaudit.co.uk

Conformance with Public Sector Internal Audit Standards

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Every three years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in February 2020 which confirmed conformance with the Public Sector Internal Audit Standards.

Conflicts of Interest

We are not aware of any conflicts of interest within Somerset West and Taunton that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Consultancy Engagements

As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

Approach to Fraud

Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption. We have dedicated counter fraud resource available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with

The Internal Audit Plan: SWAP

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- **Benchmarking and sharing of best-practice between our public-sector Partners**
- **Regular newsletters and bulletins containing emerging issues and risks**
- **Communication of fraud alerts received both regionally and nationally**
- **Annual Member training sessions**

management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.

Our Reporting

A summary of internal audit activity will be reported quarterly to senior management and the Audit, Governance and Standards Committee. This reporting will include any significant risk and control issues (including fraud risks), governance issues and other matters that require the attention of senior management and/or the Corporate Governance and Standards Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

Internal Audit Performance:

As part of our regular reporting to senior management and the Audit, Governance and Standards Committee, we will report on internal audit performance. The following performance targets will be used to measure the performance of our audit activity:

Performance Measure	Performance Target
<u>Delivery of Annual Internal Audit Plan</u> Completed at year end	>90%
<u>Quality of Audit Work</u> Overall Client Satisfaction <i>(did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i>	>95%
<u>Outcomes from Audit Work</u> Value to the Organisation <i>(client did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation view of whether our audit work met or exceeded expectations, in terms of value to their area)</i>	>95%

It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific terms of reference for the piece of work, which includes the objective and scope for the review.

Audit Name	Areas of Coverage and Brief Rationale	Quarter	Link to Corporate Outcome	Healthy Organisation Theme	Link to Corporate Risk Register (If applicable)
Key Control: Key Control Audits are completed as an assessment of the Council's financial control environment. It is essential that all key controls are operating effectively to provide management with the necessary assurance that there is a satisfactory framework on internal control. Financial controls underpin the statement of accounts.					
Creditors	<i>For Somerset West and Taunton there is in excess of £35 million processed through the creditors system on an annual basis. This review will seek to ensure key controls, such as Authorisations, master data controls, direct debit risks, access to the system, VAT, etc is appropriately controlled during this time of change as well as ensuring recommendations raised in the 2019/20 audit have been completed or are in progress.</i>	3	<i>A transparent and customer focused Council</i>	<i>Financial Management</i>	CR4 - Insufficient financial controls / MTFP
Debtors	<i>For Somerset West and Taunton debtors income could amount to approximately £8 million a year. This review will seek to provide assurance around key controls, namely, reconciliations between core centralised systems, regular and timely action in chasing debts, processes for identification of all debts, management information and monitoring arrangements as well as ensuring recommendations raised in the 2019/20 audit have been completed or are in progress.</i>	3	<i>A transparent and customer focused Council</i>	<i>Financial Management</i>	CR4 - Insufficient financial controls / MTFP
Main Accounting	<i>Financial statements need to reflect a true and fair picture of activity of the organisation in question. This review will consider aspects regarding budget planning, budget monitoring, feeder systems reconciliation, opening/closing balances, suspense accounts, journals, System access, virements as well as ensuring recommendations raised in the 2019/20 audit have been completed or are in progress.</i>	3	<i>A transparent and customer focused Council</i>	<i>Financial Management</i>	CR4 - Insufficient financial controls / MTFP
Payroll System	<i>The key control audit carried out in 2019/20 has highlighted some key control failures and offered a Partial assurance opinion. This review will seek to provide assurance that the key payroll controls are operating effectively and the recommendations raised in the 2019/20 audit have been completed or are in progress.</i>	3	<i>A transparent and customer focused Council</i>	<i>Financial Management</i>	CR4 - Insufficient financial controls / MTFP

Audit Name	Areas of Coverage and Brief Rationale	Quarter	Link to Corporate Outcome	Healthy Organisation Theme	Link to Corporate Risk Register (If applicable)
Financial Control & Reporting	<i>Weaknesses have been identified within our 2019/20 audit work on the budget monitoring controls. A specific audit has therefore been requested to ensure that the Council's budget planning, monitoring and financial reporting processes is improved to meet CIPFA's Financial Management Code.</i>	3	<i>A transparent and customer focused Council</i>	<i>Financial Management</i>	CR4 - Insufficient financial controls / MTFP
Governance, Fraud & Corruption: <i>Governance, Fraud and Corruption Audits focus primarily on key risks relating to cross cutting areas that are controlled and/or impact at a Corporate rather than Service specific level. It also provides an annual assurance review of areas of the Council that are inherently higher risk.</i>					
People Strategy	<i>A "people strategy" is a strategic document that outlines the company's approach to and relationship with its employee including how the Council will ensure it has the workforce (both current and future) to deliver the objectives of the Council. A strategy may include, but is not limited to; staffing levels, performance standards, behaviour standards, turnover strategy, reward strategy, training and development strategy, succession planning, employee engagement. Our review will seek to provide assurance that the People Strategy and supporting actions are in place, being managed and will deliver effective organisational change.</i>	3	<i>A transparent and customer focused Council</i>	<i>People and Asset Management</i>	CR7 - Staff morale, engagement and development
Recruitment and onboarding	<i>A higher turnover in staff in the last year has resulted in a number of new staff. This audit will give compliance that the recruitment processes are efficient, compliant (vetting) and effective (right people and right skills). Additional assurance may be given to the onboarding of new staff ensuring they have received relevant induction training and fit into the council's culture.</i>	4	<i>A transparent and customer focused Council</i>	<i>People and Asset Management</i>	CR7 - Staff morale, engagement and development
Delivery of Benefits of Transformation	<i>With the on-going need to maximise working efficiencies, support channel shift through technology this review will examine arrangements in place and progress being made.</i>	TBC	<i>A transparent and customer focused Council</i>	<i>Programme & Project Management</i>	CR12 - Delivery of benefits of transformation business case
Procurement	<i>Procurement is a key component to delivering on-going savings and ensuring value for money is achieved. Assurance is required with regards to how procurement services are delivering savings in the new structure. Further assurance is sought on the accuracy and completeness of the contracts register and reporting from the financial system (E5). It is expected that opportunities will arise in terms of contract innovations. This was an area highlighted in the Heathy Organisation Review.</i>	1	<i>An Enterprising Council</i>	<i>Commissioning and Procurement</i>	CR20 - Procurement and contract management

Audit Name	Areas of Coverage and Brief Rationale	Quarter	Link to Corporate Outcome	Healthy Organisation Theme	Link to Corporate Risk Register (If applicable)
Climate Change	<i>A number of Council's have increased climate change on the corporate priorities. Across all Somerset Councils a joint strategy is being developed which is likely to be agreed in September 2020 and the audit will likely focus on the actions plans from the strategy to give assurance that they are progressing as agreed.</i>	4	<i>Our Environment and Economy</i>	<i>Corporate Governance</i>	CR2 - Climate Change
Performance Management	<i>The performance management process should have clear links from organisational objectives through to individual performance measures so individuals can clearly see how their performance impacts on the organisation. A review of the process to ensure that activities and outputs do meet organisation's goals in an effective and efficient manner.</i>	2	<i>A transparent and customer focused Council</i>	<i>Performance Management</i>	CR16 - Statutory compliance and corporate governance arrangements
Risk Management	<i>Our review for 2019/20 will provide an advisory position statement. Further will be required to provide assurance on risk management at Somerset West and Taunton and is included in the plan for 2020/21. Risk management is fundamental to ensuring not only every day services achieve their delivery objectives, but new projects, and changes are managed and controlled. There needs to be a single organisational wide approach to risk management that has engagement at all levels within the organisation encompassing a top down and bottom up approach. This is a key area in the AGS for improvement and an area in the Healthy Organisation report in need of action. To review the new arrangements and how well they have embedded. Senior Managers need to know they can rely on the risk information to target and manage resources effectively.</i>	4	<i>A transparent and customer focused Council</i>	<i>Risk Management</i>	N/A
Ethical Governance & Culture	<i>Ethical governance is defined as a set of processes, procedures, cultures and values designed to ensure the highest standards of behaviour. This review would seek to confirm that processes, procedures, culture and values are aligned to the Nolan Principles and are working effectively for members and officers.</i>	1	<i>A transparent and customer focused Council</i>	<i>Corporate Governance</i>	CR7 - Staff morale, engagement and development
GDPR Information Management Project	<i>Internal Audit's 2019/20 audit of information governance provided a partial assurance. There is still a need to ensure the Council is moving in the right direction and compliant with GDPR legislation. Historically data has not been well managed. With increasing values of data being collected, generated and handled; LAs face new challenges in protecting this information and delivering value from it.</i>	4	<i>A transparent and customer focused Council</i>	<i>Information Management</i>	CR23 - Information governance / GDPR compliance

Audit Name	Areas of Coverage and Brief Rationale	Quarter	Link to Corporate Outcome	Healthy Organisation Theme	Link to Corporate Risk Register (If applicable)
<i>Project Governance – Firepool</i>	<i>A review of the governance arrangements in relation to the Firepool development in Taunton. This is a strategically important development as the site will delivery a number of key outcomes that are a priority for the Authority.</i>	1	<i>Homes and Communities Our Environment and Economy</i>	<i>Programme & Project Management</i>	<i>CR14 - Major capital programme and project delivery</i>
<i>Commercial Investment</i>	<i>Whether it is CIPFA, Central Government, the press or the public, there is significant interest in commercial investments made by Local Authorities. It is essential that an agreed Commercial Strategy is in place. The Council's Corporate Strategy 2020-24 states its aim to be 'An Enterprising Council' and 'Pursue commercial investment opportunities that generate additional income that can be reinvested in service delivery in order to protect or enhance services on which our communities rely.' This review would seek to ensure that the governance arrangements being proposed would stand up to scrutiny, including; budget (MRP consideration), risk assessment, business case, compliance to regulations (Code), scrutiny process, monitoring arrangements and challenge.</i>	3	<i>An Enterprising Council</i>	<i>Programme & Project Management</i>	<i>CR11 - Commercial investment and asset management</i>
ICT/Information Management: <i>These audits provide the Authority with assurance with regards to their compliance with industry best practice. As with Operational Audits, an audit opinion is given.</i>					
<i>ICT Governance & Risk Scope Review</i>	<i>The ICT Governance and Risk Scope Review enables SWAP to react to recent major changes in ICT Enterprise, Infrastructure and Service Delivery across our partners. The capability within our partners to deliver technology has been driven by local government re-organisation, the installation of joint venture arrangements, the withdrawal from outsourced provision and the move towards cloud-based architecture, particularly for storage, contingency and business led applications. All of these have resulted in a differing focus for lead officer for ICT both in terms of governance, and resource in staff and money available to them.</i>	1	<i>A transparent and customer focused Council</i>	<i>Information Management</i>	<i>CR3 - ICT infrastructure and systems</i>
<i>Digital Strategy and Transformation</i>	<i>The reviews surrounding Digital Strategy and Transformation will be risk-based assurance reviews. A standard work programme is currently being revised to match the agreed outcomes of digital ensuring that the outcomes. Other key risks include digital exclusion, unproven channel shift failure to undertake user experience/user interaction (UX/UI) processes, and a failure of the digital programmes to engage with other services including ICT. Technology underpins digital, it does not drive it.</i>	1	<i>A transparent and customer focused Council</i>	<i>Information Management</i>	<i>CR3 - ICT infrastructure and systems</i>

Audit Name	Areas of Coverage and Brief Rationale	Quarter	Link to Corporate Outcome	Healthy Organisation Theme	Link to Corporate Risk Register (If applicable)
Cyber Security Framework Review	<i>The Cyber Security Framework Review is made up on 20 key controls using a high-level approach to compliance testing is undertaken as part of the audit. Although it is appreciated that the review does not constitute a full assurance-based audit, it provides the background for a fully resourced and focussed risk based cyber security audit programme that adds value.</i>	2	<i>A transparent and customer focused Council</i>	<i>Information Management</i>	<i>CR8 – Cyber Security</i>
Operational: Operational audits are a detailed evaluation of a Service’s control environment. A risk matrix is devised, and controls are tested that mitigate those risks. Where weaknesses or areas for improvement are identified, actions are agreed with management and target dated.					
Homelessness / Homelessness Reduction	<i>The Homelessness Reduction Act 2017 places new legal duties on English councils so that everyone who is homeless or at risk of homelessness will have access to meaningful help, irrespective of their priority need status, as long as they are eligible for assistance. There are fifteen aspects that the Council needs to ensure that it covers. A review is required to assess how well the Council is responding.</i>	4	<i>Homes and Communities</i>	N/A	N/A
DLO External Work - Income	<i>The DLO undertakes external work that generates additional income. Since the re-organisation there has been an identified reduction in the number of invoices raised although some contracts have also ended. A review is required to provide assurance that all external works are being charged for, invoices are raised accurately and without delay.</i>	1	<i>A transparent and customer focused Council</i>	<i>Financial Management</i>	<i>CR4 - Insufficient financial controls/Medium Term Financial Planning (MTFP)</i>
Housing Compliance – Governance and Reporting	<i>A review is required to ensure that there is sufficient governance, reporting and scrutiny of the Council's housing stock. The review should ensure that Management and Members are aware of the general health of the housing stock through consideration of reports on gas, fire, electric, legionella and asbestos; and are being given assurance that legislation is being adhered to and where appropriate maintenance has been undertaken. Will include follow up of Fire Safety Management previously identified issues.</i>	2	<i>Homes and Communities</i>	<i>People and Asset Management</i>	<i>CR10 – Legal compliance</i>

Audit Name	Areas of Coverage and Brief Rationale	Quarter	Link to Corporate Outcome	Healthy Organisation Theme	Link to Corporate Risk Register (If applicable)
<p>Follow -up: Follow up reviews are undertaken where a previous audit has returned a 'Partial Assurance' or 'No Assurance'. This is to provide assurance that areas of weakness have been addressed. Follow up reviews will only focus on the areas of weakness identified in the original review. Note, number of 2019-20 'partial' audits are subject to full review in 2020-21.</p>					
Treasury Management	Partial assurance offered in 2019/20	3	A transparent and customer focused Council	Financial Management	CR4 - Insufficient financial controls / MTFP
Banking Arrangements	Partial assurance offered in 2019/20	4	A transparent and customer focused Council	Financial Management	CR4 - Insufficient financial controls / MTFP
<p>Planning, Advice and Support</p>					
	Time for additional small-scale work, ad hoc advice, time to support Anti-Money Laundering arrangements, committee reporting & attendance, planning and client liaison meetings, contingency.				

The Internal Audit Charter

Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Somerset West and Taunton Council, and to outline the scope of internal audit work.

Approval

This Charter is based on the previously approved Charter that was approved by the Corporate Governance Committee at TDBC and the Audit Committee at WSC in 2006 and was reviewed each year thereafter to confirm it remains accurate and up to date. It was last reviewed by the two previous respective Committees¹ in March 2019.

Provision of Internal Audit Services

The internal audit service is provided by the SWAP Internal Audit Services (SWAP). This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by the Council, in conjunction with the Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the Council, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment that was carried out when determining the Council's level of contribution to SWAP. This is reviewed each year by the S151 Officer in consultation with the Chief Executive of SWAP.

Role of Internal Audit

The Accounts and Audit (England) Regulations 2015, state that: *"A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance."*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibilities of Management, Audit, Governance and Standards Committee and of Internal Audit

Management²

Management is responsible for ensuring SWAP has:

- the support of management and the Council; and
- direct access and freedom to report to senior management, including the Council's Chief Executive and the Audit, Governance and Standards Committee.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Authority. Management is also responsible for the appropriate and effective management of risk.

² In this instance Management refers to the Senior Management Team and Statutory Officers.

Audit, Governance and Standards Committee³

The Audit, Governance and Standards Committee is responsible for approving the scope of internal audit work, receiving communications from the SWAP Assistant Director on the progress of work undertaken, reviewing the independence, objectivity, performance, professionalism and effectiveness of the Internal Audit function, and obtaining reassurance from the SWAP Assistant Director as to whether there are any limitations on scope or resources.

Internal Audit

The SWAP Assistant Director, as Head of Internal Audit, is responsible for determining the scope, except where specified by statute, of internal audit work and for recommending the action to be taken on the outcome of, or findings from, their work.

Internal audit is responsible for operating under the policies established by management in line with best practice.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS). SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. SWAP staff who have previously worked for Taunton Deane Borough Council, West Somerset District Council or Somerset West and Taunton will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

Relationship with the External Auditors/Other Regulatory Bodies

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

Status of Internal Audit in the Organisation

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

The Chief Executive for SWAP, the Executive Director and Assistant Director also report to the Section 151 Officer, and report to the Audit, Governance and Standards Committee as set out below.

The Assistant Director will be the first and primary point of contact for Somerset West and Taunton for all matters relating to the Audit, Governance and Standards Committee, including the provision of periodic reports. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of the Council.

Scope and authority of Internal Audit work

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of Somerset West and Taunton Council.

Internal audit work will normally include, but is not restricted to:

³ In this instance Audit, Governance and Standards Committee relates to "The Board" referred to in the PSIAS

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- reviewing the reliability and integrity of financial and operating information used for operational and strategic decision making, and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management and communication of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the Council and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether Somerset West and Taunton Council is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned, with performance and accountabilities established.
- reviewing the operations of the council in support of the Council's anti-fraud and corruption policy, ethical expectations and corporate values, investigating where necessary.
- at the specific request of management, internal audit may provide consultancy services provided:
 - the internal auditor's independence is not compromised.
 - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay.
 - the scope of the consultancy assignment is clearly defined and management have made proper provision for resourcing the work.
 - management understand that the work being undertaken is not internal audit work.

Planning and Reporting

SWAP will submit to the Audit, Governance and Standards Committee, for approval, an annual internal audit plan, setting out the recommended scope of their work in the period.

The annual plan will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will be reviewed on a quarterly basis to ensure it remains adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will make recommendations on the action to be taken as a result to the appropriate manager and Director. SWAP will report at least two times a year to the Audit, Governance and Standards Committee. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the Audit, Governance and Standards Committee on a regular basis.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will

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already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the Section 151 Officer and to other relevant line management.

The Assistant Director will submit an annual report to the Audit, Governance and Standards Committee providing an overall opinion of the status of risk and internal control within the Council, based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and SWAP Directors and Assistant Directors have the unreserved right to report directly to the Leader of the Council, the Chairman of the Audit, Governance and Standards Committee, the Council's Chief Executive Officer or the External Audit Manager.

Revised March 2020