

NORTH LINCOLNSHIRE COUNCIL

AUDIT SUB-COMMITTEE

INTERNAL AUDIT PROGRESS REPORT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To inform Members of key issues arising from Internal Audit's work.
- 1.2 Regular reporting on Internal Audit issues is an important source of assurance for Members to fulfil their role and provides supporting evidence for the annual approval of the Governance Statement.

2. BACKGROUND INFORMATION

- 2.1 The Internal Audit Plan continues to be reprioritised as a result of reduced resources and the impact of unforeseen work. A summary is provided in appendix A. There is adequate plan progress at this stage of the year to ensure there is a sufficient level of completion of planned work to provide an opinion on the adequacy of the control environment. Any audits that are deferred to next years plan will not compromise Internal Audit's ability to provide its opinion to the Sub-Committee.
- 2.2 The level of unforeseen work continues to be higher than anticipated. The original allocation for this type of work identified in the audit plan was 165 days whilst to date 142 days have been spent. Resources have been met through planned work either being completed below allocation and some additional hours being allocated to part time staff on a temporary basis. Some reviews have also been postponed for the time being in agreement with the client due to changes in systems/procedures. Some examples of the work undertaken include investigations mainly relating to email/ internet usage abuse, cash handling anomalies, timesheet or allowances discrepancies and misuse of council property. These cases support the council's zero tolerance of fraud as all cases are investigated, appropriate management action is recommended where fraud is identified (including police action where appropriate) and any improvements to internal control arrangements are identified and agreed with managers.
- 2.3 Counter fraud work is an important feature in the audit plan. An update on counter fraud plan work is summarized in appendix B. Some key features include:
 - National Fraud Initiative (NFI) matches were received in January 2011, earlier than expected. Sixty seven reports were received

containing 8,501 matches, 7,044 have been processed resulting in savings of £12,768.18 duplicate creditor payments and £84,054.15 housing benefits savings. Recovery action is ongoing to address these and the remaining matches in the coming months.

- Internal Audit is also carrying out an internal data matching exercise using audit interrogation software. The exercise has highlighted over £11k duplicate creditor payments and further matches are being investigated. No overpayments appear to be fraudulent so far and recovery action is taking place in all cases. Given the volume of transactions the level of the creditor overpayments is relatively low and provides a good level of assurance on the adequacy of controls in place to prevent overpayments overall. Nevertheless the work has highlighted some opportunities to strengthen arrangements further and a report is being prepared with the details.
- Proactive counter fraud work analysing overtime payments has been completed so far this year. No frauds were highlighted however non-compliance with overtime policy was found in one section.
- The quarterly counter fraud newsletter 'Fraud Focus' provides an important opportunity to remind staff of counter fraud policies and emerging risks. There are regular contributions from colleagues across the council involved in countering fraud. The July edition is attached in appendix C and contains an article on our partnership with the Police against crime and in countering fraud.

2.4 Most reports issued this year so far have included recommendations to improve controls. There are no significant issues to bring to the Sub-Committee's attention at this stage. In all cases an appropriate management response is required in respect of all audit recommendations and follow up work is scheduled to ensure internal control has improved.

2.5 In January Members were informed that the Government had scrapped the Financial Management Standard in Schools (FMSiS) initiative. A new Standard, named the Schools Financial Value Standard (SFVS), has been introduced and becomes operational from September 2011. Schools are expected to conduct an assessment against SFVS once a year, which means that the first reports from schools will be due before September 2012. However, those schools which never attained FMSiS will be expected to report against SFVS before April 2012. We have none except Hibaldstow Primary and Government Office advice is being sought to determine whether this applies to the school as it has now amalgamated with Scawby Primary school. The Standard will involve a self assessment from schools and reports signed by the Chair of Governors will be sent to the local authority. With effect from the financial year 2011/12 SFVS are expected to be included in the outturn statement in regard to DSG which is signed by Chief Finance Officers.

The audit programme for schools is being revised to incorporate SFVS requirements as far as possible to provide additional assurance to support the certification of the outturn statement by the Director of Finance.

2.6 In January Members were advised that CIPFA had issued a Local Government specific statement on the role of chief internal auditors for consultation. The finalised document was delayed and a local government specific version was due to be published. CIPFA has now decided against publishing a local government version of the statement therefore an evaluation of current arrangements against best practice guidance has been completed using the generic statement. The evaluation is summarized in appendix D and shows a high degree of compliance. The evaluation identified 2 areas for improvement to current arrangements:

- Decision making report checklist to include specific reference to audit advice on internal control issues
- Liaison with external inspectors and review agencies should extend beyond external audit where appropriate when drawing up the internal audit strategy.

Action to address these issues will be taken during the 2011/12 Audit Plan year and reported to the Sub-Committee as part of the annual report on the effectiveness of the Internal Audit service in June 2012.

.3 OPTIONS FOR CONSIDERATION

3.1 The Sub-Committee is asked to consider whether or not this update provides sufficient assurance on the adequacy of internal control arrangements. The Sub-Committee is invited to consider the report and seek clarification on its contents as necessary.

3.2 If the Sub-Committee considers that the report does not provide sufficient assurance on the adequacy of internal control arrangements further clarification may be sought and appropriate action considered.

4. ANALYSIS OF OPTIONS

4.1 The progress report updates the Sub-Committee on key internal control issues. It also complies with statutory requirements and professional guidance available and is designed to provide the Sub-Committee with the assurance required.

4.2 The option set out in paragraph 3.2 indicates an opportunity missed to provide an important source of assurance to assist the Sub-Committee to fulfil its role effectively if adequate clarification is not provided.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY.IT)

5.1 Resources are met from Internal Audit and Risk Management budget.

5.2 Regular reviews of internal control should safeguard the council's assets and ensure that value for money is achieved in the use of resources. There are no staffing, property or IT implications.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 – CRIME AND DISORDER, RISK AND OTHER)

6.1 The Chief Financial Officer has a statutory duty under the provisions of the Local Government Act 1972 to ensure the proper administration of the council's financial affairs. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The requirement for an internal audit function is set out in the Accounts and Audit (England) Regulations 2011. Internal Audit will continue to assist the Chief Financial Officer discharge his statutory duty.

6.2 The evaluation of the council's arrangements will help to promote good corporate governance. Internal audit is a key source of assurance to support the Annual Governance Statement.

7. OUTCOMES OF CONSULTATION

7.1 The council's external auditors the Audit Commission support the risk-based approach to audit planning. Consultation takes place with Directors and key staff at all stages of audit work and comments made are incorporated wherever possible.

8. RECOMMENDATIONS

8.1 The Audit Sub-Committee should consider whether the Internal Audit progress report provides a sufficient level of assurance on the adequacy of internal control arrangements detailed.

DIRECTOR OF FINANCE

Pittwood House
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB
Author: Carol Andrews
Date: 31 August 2011

Background Papers used in the preparation of this report
Internal Audit Plan 2011-2012

Appendix A

Audit Areas	Audit Reviews Completed During 2011/12		Audits potentially deferred or cancelled
	Planned	Unplanned	
Fundamental Financial Systems	<ul style="list-style-type: none"> • Payroll • Creditors • Debtors • Cash Receipting • Main Accounting Ledger • Council Tax and Housing Benefits • Local Taxation • Treasury Management • Asset Management • CareFirst (Adult Social Care Payments Feeder System) • Benefits Subsidy testing (in progress) 	<ul style="list-style-type: none"> • Pensions Assurance (completed) • Asset Management IFRS work (completed) 	
Annual Governance Statement	<ul style="list-style-type: none"> • In year monitoring and compilation of the Statement 		
Corporate management	<ul style="list-style-type: none"> • Preparing reports and Audit Committee attendance 		
Corporate Governance	<ul style="list-style-type: none"> • In year monitoring and advice. Evaluation of council arrangements against best practice standards. Revision of the council's Code of Corporate Governance 		
Risk Management	<ul style="list-style-type: none"> • In year monitoring and advice, Strategic Risk Management Group work. Annual review of risk management arrangements, strategic and key operational controls. 		
IT Audit	<ul style="list-style-type: none"> • Remote access/wireless • Telephone system (in progress) • Operating Systems (in progress) • Service desk and incident reporting (in progress) • IT Governance (in progress) • Government Connect (in progress) • Disaster recovery (completed) • Network management and control 		<ul style="list-style-type: none"> • IT charging Policy • Virtualisation

Audit Areas	Audit Reviews Completed During 2011/12		Audits potentially deferred or cancelled
	Planned	Unplanned	
Contract Audit	<ul style="list-style-type: none"> • Contracts C&YP • Highways Alliance (completed) • Adults – Commissioning and Procurement 		
Fraud Prevention and Detection	<ul style="list-style-type: none"> • Responding to cases received via Whistleblowers Hotline and email (in progress) • Publicity/ training/ updating the counter fraud strategy • Income audits - leisure facilities, golf clubs, bereavement services (completed), • Leisure Timesheet management (completed) • Direct Payments • Transparency reporting • Debit cards (in progress) 	<ul style="list-style-type: none"> • CarPlan Analysis (completed) • Overtime Analysis (completed) • Creditors Analysis (in progress) • Extended National Fraud Initiative (Data Matching) (in progress) • Imprest spot checks (completed) 	<ul style="list-style-type: none"> • Building control income
Council-wide Systems	<ul style="list-style-type: none"> • Partnership Arrangements • Budgetary Control • Worksmart (in progress) • CRC Energy Efficiency Scheme Return (completed) • New legislation (Bribery Act) (completed) • Grant Claims (in progress) 		<ul style="list-style-type: none"> • Project Management • Environmental issues
Adult Social Care Services	<ul style="list-style-type: none"> • Assessment and Review (completed) • Homecare (completed) • Budgetary control • Receiverships • Safeguarding adults (completed) 		
Children & Young People Services	<ul style="list-style-type: none"> • Budgetary control (completed) • Policies for the Protection of Children(in progress) • External funding • Building Schools for the Future • Early Years (in progress) • Child Protection • Children in care • Integrated youth support 	<ul style="list-style-type: none"> • 2 school follow ups (FG & SF) • Play capital grant certification 	

Audit Areas	Audit Reviews Completed During 2011/12		Audits potentially deferred or cancelled
	Planned	Unplanned	
	<ul style="list-style-type: none"> • Schools admissions (in progress) • CRB/ Safer recruitment (in progress) • Transport (in progress) • School Audits (in progress) • Capita one & SIMS (in progress) • Training 16- 19 years (completed) • Audit & Review Team (in progress) 		
Finance – Other	<ul style="list-style-type: none"> • ElIncome (in progress) • Debit Cards • Taxation (in progress) • External funding (in progress) • Financial Regs and CPRs (in progress) 	<ul style="list-style-type: none"> • X Code income collection 	
Infrastructure (excluding IT)	<ul style="list-style-type: none"> • Highways Maintenance (in progress) • Project Management (in progress) • Post project review (completed) • Budgetary control • Contract management 		<ul style="list-style-type: none"> • Highways Alliance
Neighbourhood & Environment	<ul style="list-style-type: none"> • Schools catering (in progress) • Health Improvement • Licensing (completed) 		<ul style="list-style-type: none"> • Contaminated land
Strategic Regeneration	<ul style="list-style-type: none"> • Business start up loans administration (in progress) • South Humber Bank • Lincolnshire Lakes • Area Renaissance (in progress) 		<ul style="list-style-type: none"> • Leader Programme
Community Planning and Resources	<ul style="list-style-type: none"> • Adult Education (in progress) • Data Protection and Freedom of Information Legislation (completed) • Elections and electoral registration (completed) • Legal services • Sickness policy (in progress) • Leave policies (in progress) 		<ul style="list-style-type: none"> • Democratic services • Scrutiny • Library and information services • Safer Neighbourhoods • Revisions to

Audit Areas	Audit Reviews Completed During 2011/12		Audits potentially deferred or cancelled
	Planned	Unplanned	
	<ul style="list-style-type: none"> • Working time directive and flexible working • Compensation for termination of employment (in progress) • Councillors' allowances • 		Professional Personnel System

In addition to the above resources were deployed on :

- Advice /irregularity work
- Follow up work
- Audit plan performance monitoring and reporting

Internal Audit Plan 2011/12 Summary

Area	Scope	Planned Days	Progress
Creating and maintaining the anti fraud culture			
Publicity	Continued development of system, promotional and awareness raising activities, refresh to risk assessments, and strategy	5	All staff received a promotional leaflet on the council's counter fraud arrangements with their February payslips and council wide message was issued to coincide with this date. An eLearning package on the new Bribery Act has been provided, the deadline for completion of the learning is 30/9/11.
Counter Fraud Strategy	Ensure it is fit for purpose and in line with best practice	5	The Strategy has been updated to incorporate the implications of the Bribery Act. A full review of the Strategy is due later in the year.
Joint reporting	Ensure co-operation across all departments to be able to accurately assess fraud risk for the council	5	Further work to improve liaison with both Human Resources and the Police in respect of investigation referrals is ongoing Referral protocols have been developed and key contacts have also been established. Other audit work is also underway to ensure all potential cases are referred to Internal Audit.
Prevention			
Designing out fraud	Advice in areas where changes to systems are proposed	10	The elncome system will be examined shortly. Advice on changes resulting from restructuring and worksmart continue to be provided.
Deterrence			
Fraud Newsletter and Council Wide Communications	Publication of a quarterly newsletter and issue of alerts and council wide communications	5	Quarterly newsletters continue to be published. The police will provide regular articles on local issues.
Detection			
Data Matching – National Fraud Initiative (NFI)	Audit assistance in the annual exercise of data matching. In 2010/11 council tax matches and data submission for 2011/12 full exercise	25	NFI match reports were received early from 25 th January onwards, and new matches are received throughout the year. Good progress has already been made although the deadline is not until December 2011, with duplicate payments of £13k having been found from the investigation of creditor matches and £33k from the benefits matches. An in-house data matching exercise was also carried out to identify duplicate creditor payments. This work is still in progress but approximately £11k in duplicate payments has been identified to date from this exercise.
Hotline	Audit response to allegations received via the hotline	30	The hotline is continually publicised via the Fraud Focus newsletter. There has been an increase in the use of the email facility to report allegations and an increased number of hotline calls overall.
Money Laundering	Provision of the system set up client identification checks with services	5	Key staff have been trained, the policy has been changed to reflect changes in legislation. Refresher training will take place in the year. Use of elearning is being considered following the success of the eLearning package issued on the Bribery Act.

Investigation			
Proactive – misuse of council funds audits	Rolling programme of audits of potential misuse of council funds.	20	A timesheet audit and spot checks of imprest accounts have been carried out. Electronic data is being used to review the use of debit cards.
Proactive – investigation of high risk income collection areas	Income based audits (5 sites)	40	Car parking and bereavement services income audits have been concluded. Reports on improvements required have been issued in both areas. Golf income review is ongoing.
Proactive – development of IDEA software	To identify areas where software can be used to detect and investigate fraud	10	8 audit staff have been trained in IDEA – data interrogation software. The software will be used in several counter fraud audits in 2011/12
Reactive Investigations		As required	



fraud focus

North Lincolnshire Council's counter-fraud newsletter **No.5** July 2011



Trust the ticket? Fighting festival fakery **p2**

Police partnership

The council works closely with the police in a number of areas such as the Safer Neighbourhoods partnership where there is a shared approach to tackling and reducing crime. Internal Audit have always worked jointly with the police, or referred to cases to them, as and when required. This is to ensure that any criminal actions investigated by Internal Audit under the disciplinary policy are also given the appropriate criminal sanction.

Like the council, the police are also undergoing changes, and we have taken the opportunity to revisit our protocol for joint working with our key contacts who are responsible for fraud in the North Lincolnshire area.

The meeting was very useful and the police agreed to support and advise on any potentially criminal cases from the outset. They were also interested in this publication and are willing to provide articles that may be useful to employees and citizens of North Lincolnshire. See article on page 3.



Phone crooks Protect your mobile from theft **p3**

Public sector fraud rises

PricewaterhouseCoopers (PWC) have reported a sharp rise in frauds against public sector organisations in the Midlands. The spending cuts have been blamed for the increase. Nationwide figures suggest that 60 per cent of all public sector bodies have experienced fraud in the last 12 months which is a 52 per cent increase on 2009.

PWC also say that the increase could be as a result of increased focus on finding frauds earlier and also reporting them.

At the council we are always alert to the risk of fraud and are keen to ensure fraud does not occur in the first place. We carry out an annual risk assessment of fraud risk areas that is refreshed at least annually with new and emerging risk areas. We are members of a number of organisations that issue frequent alerts and we always check our procedures are in place to address these and often report them via this publication. If we do discover fraud we also take

decisive action against anyone involved, including disciplinary action and police referral where appropriate.

All staff are reminded of the importance of reporting fraud so that early action can be taken, not only to identify fraud but also to recover any sums lost and improve controls to prevent further occurrences. If you have suspicions please contact us via the details that are always printed on the last page.

The Bribery Act and you

The Bribery Act 2010 came into force on 1 July 2011. For the purposes of this Act, bribery is defined generally as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so (*Ministry of Justice, 2011*).

The Act introduces, in essence, four new offences, which are:

Section 1 - bribing another person to improperly perform a public function;

Section 2 - requesting or receiving a bribe to improperly perform a public function;

Section 6 - bribing a foreign public official; and

Section 7 - a corporate offence of failing to prevent bribery.

Offences under Sn's 1, 2 and 6 apply to individual officers and members. The offence under Sn7 potentially applies to the council as a body corporate. Senior officers may also be prosecuted for offences under Sn's 1, 2 and 6 where it can be demonstrated they have consented/connived to such bribery taking place.

Severe penalties can be imposed, including fines and up to 10 years' imprisonment.

We do not expect you to read the Bribery Act, or the six principles that it introduces. However, we do expect you to complete training and assessment, so that you are clear about how this new law affects you at work and know that the council prohibits bribery in any form – direct or indirect – and by or for the council. A breach of policies or procedures relating to bribery could lead to disciplinary

action.

The training package will make clear what is acceptable and what is not, and explains how to act if you are caught in a situation where bribery is attempted. Completion of this training is required by the end of September 2011. Further details will be issued on this shortly.

The council's policies and systems to counter bribery are:

- ◆ Corporate gifts and hospitality
- ◆ Whistleblower charter
- ◆ Employee Code of Conduct
- ◆ Member Code of Conduct
- ◆ Corporate induction programme
- ◆ Manager induction programme
- ◆ Counter Fraud Strategy
- ◆ Procurement policy
- ◆ Member induction training



Bribery - severe penalties apply

Don't get stung in the sun

As summer approaches, so do all the festivals that draw huge crowds across the UK. Tickets for these festivals can sell out quickly and fraudsters have made big money selling tickets that are either fake or do not arrive at all. The National Fraud Authority says this type of fraud cost the UK £168m last year.

A Leeds man was jailed in May for making £50,000 by selling tickets on eBay which did not show up. Leeds CID advise anyone buying tickets to stick to festivals' authorised ticket agents which should be shown on their official websites. Paying with a credit card also gives you some protection and the possibility of recovery if it does all go wrong.

BBC news reported recently that the police are working with major event organisers to change procedures to catch out counterfeiters. Previously, tickets would go on sale many months before concerts but would not be delivered until nearer the time, cutting the time that counterfeiters have to make copies. Instead, police have asked organisers to issue the tickets much earlier, as the fake websites would not have the tickets available. They are also targeting fake sites.

London 2012 organisers are setting up a website checker so that ticket buyers for the games can check whether sites and sellers are genuine.

Treasury guidance on fraud

We have always followed current best practice in ensuring our Counter Fraud Strategy and systems and processes for responding to fraud are as effective as they can be. In February 2011, HM Treasury issued their own guidance. The

guidance is designed to help government bodies meet the challenge of managing fraud risk during a time when fraud is on the rise generally and there are significant changes at both national and local level.

Like our current approach, the

guidance emphasises the importance of prevention and detection, and we have started to self-assess our approach against it. Once the process is complete, any changes required will be used to refresh and strengthen our Strategy.

Local news

On the Humberside Police website (Humberside.police.uk) is useful information on the work of the police in our area. Under 'crime reduction' there are some sections on how you can reduce crime. One such article covers the theft of mobile phones. The site offers some tips on how to protect your phone and increase the chances of getting it back if you do.

Firstly, register your phone with the network provider, keeping a note of the IMEI number which you will need should it need to be reported stolen. If you do not have this number you can call *#06# from the handset to find out.

Secondly, register your phone, and any other portable equipment such as iPods and laptops with national database MEND. This is a site recognised by the police as useful in making sure recovered goods can be returned to their owner.

In addition:

- ◆ Be discreet when using your phone; try to



Don't leave your phone on view

avoid crowds where it can be snatched. Likewise try to avoid walking and texting.

- ◆ Hold your phone in a secure place: not on a belt for example.
- ◆ Use the PIN code to protect the phone.
- ◆ Report lost and stolen phones quickly to the network provider so they can be blocked.



The police website also includes two other useful areas where you can help the police directly when a crime has occurred. In the 'shop a shoplifter' section, CCTV pictures have been posted where the police need to identify these people.

Also in the news and media section there are many alerts which relate to local crime such as burglary but also tragic events such as calls for help in road collisions, where you may be able to help the police solve crime.

Advice on working together



Tackling fraud has always been the morally correct thing to do, and in the current economic climate, many also see it as a way to reduce the deficit more quickly, according to SAS, a company which provides business analytics software.

SAS has prepared a white paper on how public sector fraud can be tackled through working together. It says information is an asset but if this asset is kept by different, often competing, companies, the fraud it may show stays hidden.

The council has taken part in the Audit Commission NFI data-matching exercise for many years, using it to improve systems where a fraud or error is found, as well as recovering any lost money.

Now other public bodies seem to be encouraging this. The National Fraud Authority set up a task force recently including representatives of various public bodies. They launched seven pilot tasks such as the DWP and HMRC working together with data to identify wrongly-claimed tax credits. To date £1m has been found.

The technology to catch fraudsters is also advancing rapidly: Experian is enhancing the current DETECT system so that extra information sources can be used to identify fraud. Experian is used for credit checking, and also to prove identity

of applicants when making purchases. The council has used the data to carry out an exercise to identify individuals falsely claiming to be the only adult living in a property and fraudulently obtaining a council tax discount.

Finally the National Fraud Investigation Bureau has launched a scam email reporting facility (NFIB. Police.uk). On their site you'll find details on how to report scam emails. In only four days the site received 19,000 emails. But remember, you do not need to open the email to find out whether it is a fraud. Common tell-tale signs are:

- ◆ A sensational title claiming that you have won, or can win something, or that you are about to get a free gift or bargain;
- ◆ Your name in the title but you do not know the sender;
- ◆ An authoritative-looking title that makes you think that it is urgent. Recent emails look as though not opening them will make you a victim of fraud. They often have a bank name – always view this as suspicious.

Examples of the various forms of email are on site for you to look at. It is worth a look, as fraudsters who are unsuccessful with one attempt will adapt and try a different approach.

Debbie Baker

01724 296103

Helen Asher

01724 296046

Caroline Wilson

01724 296050

Hotline

01724 296666

If you have any comments or suggestions on this newsletter, please email

Debbie.baker@northlincs.gov.uk

Protect your identity

Thisismoney.co.uk report that, on average, 23 per cent of people moving house take over two weeks to report this fact to Royal Mail, banks etc. Mail from banks often includes statements showing the account or card number in full – a great opportunity to fraudsters if they get their hands on them.

Identity fraud is still rising. CIFAS, the fraud prevention service, say

it represents 48 per cent of fraud.

Here's how to protect yourself :

- ◆ Tell companies you're moving and when you'll move;
- ◆ Redirect all mail;
- ◆ If on holiday, ask neighbours to ensure mail is put fully through your door;
- ◆ Shred all old paperwork;
- ◆ When you hand over your card to pay, make sure it

never leaves your sight;

- ◆ Keep your PIN to yourself;
- ◆ Make you PIN hard to guess, eg: avoid birthdays and numbers such as 1.2.3.4;
- ◆ Regularly check your credit file for unusual activity;
- ◆ Be wary of wireless technology, make sure it is a secure network;
- ◆ Do not click on phishing emails (see article above).

Head of Internal Audit Statement Principles	Core HIA responsibilities	Non-Compliance / Areas for Improvement
<p>The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments.</p>	<p>Helping to promote the benefits of good governance throughout the organisation.</p> <p>Working with others in the organisation who have a responsibility for promoting good governance.</p> <p>Giving advice to the Leadership Team and others on the control arrangements and risks relating to proposed policies, programmes and projects.</p> <p>Promoting the highest standards of ethics and standards across the organisation based on the principles of integrity, objectivity, competence and confidentiality.</p> <p>Demonstrating the benefits of good governance for effective public service delivery and how the HIA can help.</p> <p>Offering consultancy advice where the HIA considers that it is appropriate, drawing up clear terms of reference for such assignments.</p>	<p>Decision making report checklist to include specific reference to IA advice</p>
<p>The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.</p>	<p>Giving assurance on the control environment. This includes risk and information management and internal controls across all systems.</p> <p>Reviewing the adequacy of key corporate arrangements including eg risk strategy, risk register, anti fraud and corruption strategy, corporate plan.</p> <p>Producing an evidence based annual internal audit opinion on the organisation's control environment.</p> <p>Working closely with others to ensure that sufficient and relevant evidence is used. Where relying on others, clarifying the degree and basis for the reliance.</p>	

	<p>Reviewing significant partnership arrangements and major services provided by third parties and the controls in place to promote and protect the organisation's interests. Assessing whether lines of responsibility and assurance are clear.</p> <p>Liaising closely with the external auditor to share knowledge and to use audit resources most effectively.</p> <p>Producing an internal audit strategy that fits with and supports the organisation's objectives.</p> <p>Reviewing the organisation's risk maturity (including the organisation's own assessment) and reflecting this in the strategy.</p> <p>Consulting stakeholders, including senior managers and non-executive directors/elected representatives on the internal audit strategy.</p> <p>Setting out how the HIA plans to rely on others for assurance on the organisation's controls and risks and taking account of any limitations in assurance given by others.</p> <p>Liaising with external inspectors and review agencies where appropriate when drawing up the internal audit strategy.</p> <p>Liaising with the external auditor on the internal audit strategy, but not being driven by external audit's own priorities</p>	<p>Liaison arrangements are restricted to external audit only</p>
<p>The HIA in a public service organisation must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee.</p>	<p>Escalating any concerns through the line manager, Chief Executive, Audit Committee and Leadership Team, legal officers, external auditor as appropriate.</p> <p>Supporting the Audit Committee in reviewing its own effectiveness and advising the Chair and line manager of any suggested improvements.</p>	

	Consulting stakeholders, including senior managers and non-executive directors/elected representatives on the internal audit strategy	
The HIA in a public service organisation must lead and direct an internal audit service that is resourced to be fit for purpose.	<p>Leading and directing the internal audit service so that it makes a full contribution to and meets the needs of the organisation and external stakeholders.</p> <p>Determining the resources, expertise, qualifications and systems for the internal audit service that are required to meet internal audit's objectives; using a full range of resourcing options including consultancy, working with others and buying in where appropriate.</p> <p>Informing the Leadership Team and Audit Committee if there are insufficient resources to carry out a satisfactory level of internal audit, and the consequence for the level of assurance that may be given.</p> <p>Implementing robust processes for recruitment of internal audit staff and/or the procurement of internal audit services from external suppliers.</p> <p>Ensuring that the professional and personal training needs for staff are assessed and seeing that these needs are met.</p> <p>Developing succession plans and helping staff with their career progression.</p> <p>Establishing a quality assurance and improvement programme that includes:</p> <ul style="list-style-type: none"> – Ensuring that professional internal audit standards are complied with. – Reviewing the performance of internal audit and ensuring that the service provided is in line with the expectations and 	

	<p>needs of its stakeholders.</p> <ul style="list-style-type: none"> – Providing an efficient and effective internal audit service – demonstrating this by agreeing key performance indicators and targets with the line manager and Audit Committee; annually reporting achievements against targets. – Putting in place adequate ongoing monitoring and periodic review of internal audit work and supervision and review of files, to ensure that audit plans, work and reports are evidence based and of good quality. – Ensuring that any internal auditors declare any interests that they have. – Seeking continuous improvement in the internal audit service. <p>Keeping up to date with developments in governance, risk management, control and internal auditing, including networking with other HIAs and learning from them, implementing improvements where appropriate.</p> <p>Demonstrating how internal audit adds value to the organisation.</p>	
<p>The HIA in a public service organisation must be professionally qualified and suitably experienced</p>		