

GWYNEDD COUNCIL

COMMITTEE	AUDIT COMMITTEE
DATE	27 SEPTEMBER 2012
TITLE	INTERNAL AUDIT STRATEGY 2012-2015
PURPOSE	TO PRESENT GWYNEDD COUNCIL'S 3-YEAR INTERNAL AUDIT STRATEGY TO THE COMMITTEE
AUTHOR	DEWI MORGAN, SENIOR MANAGER AUDIT AND RISK
ACTION	TO NOTE THE CONTENTS OF THE STRATEGY

I. INTRODUCTION

- I.1 Section 7.1 of the CIPFA Code of Practice for Internal Audit in the United Kingdom 2006 ("the Code of Practice") states:

7.1 AUDIT STRATEGY

- 7.1.1 The Head of Internal Audit must produce an audit strategy; this is the high-level statement of how the internal audit service will be delivered and developed in accordance with the terms of reference and how it links to the organisational objectives and priorities. The strategy can be presented as a document in its own right or integrated into an existing document, such as the business or service plan. It sets the context within which more detailed plans can be developed. The strategy should be kept up to date with the organisation and its changing priorities.
- 7.1.2 The strategy will communicate the contribution that Internal Audit makes to the organisation and should include:
- (a) Internal Audit objectives and outcomes
 - (b) how the Head of Internal Audit will form and evidence his or her opinion on the control environment to support the annual Statement on Internal Control
 - (c) how Internal Audit's work will identify and address significant local and national issues and risks
 - (d) how the service will be provided, i.e. internally, externally, or a mix of the two
 - (e) the resources and skills required to deliver the strategy.
- 7.1.3 The strategy should be approved, but not directed, by the audit committee.

- I.2 A Strategy for the provision of an Internal Audit service for Gwynedd Council for 2012-2015 was approved by the Audit Committee at its meeting on 13 February 2012. The Strategy has been set out in a format that follows the CIPFA Code of Practice. It is a "high-level" statement, but also contains sufficient details to give guidance and set a firm direction for the Internal Audit Section in moving forward towards the next three years.
- I.3 The Strategy is included in the Appendix. It is presented to this meeting of the Audit Committee for information, as there are several new members of the Committee following the May 2012 election.

2. RECOMMENDATION

- 2.1 The Audit Committee is requested to note the contents of the Internal Audit Strategy 2012-2015.

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FINANCE
DEPARTMENT



**INTERNAL AUDIT
STRATEGY
2012-2015**



PURPOSE

Why have Internal Audit?

Internal Audit provides a statutory service within the Council, aiming to give confidence to the citizen that the threats that are faced by the Council have been mitigated appropriately. It does this by assisting the Chief Finance Officer to ensure the proper administration of taxpayers' money, and assists the Audit Committee to maintain an overview of the authority's management and governance arrangements.

CIPFA's official definition of Internal Audit is: "Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources."

The control environment includes the governance, risk management and internal control systems. Therefore, although Internal Audit will continue to give particular attention to financial risks and financial propriety, as part of its statutory role the scope of its work will also extend to Council's entire control environment.



THE COUNCIL'S VALUES

How does Internal Audit live the Council's values?

Respect

The Council's internal auditors have access rights to information, documents and buildings. The service will ensure that auditors are aware of the responsibilities that arise from these rights. Although the service will continue to report negatively if it is felt that some business units are contravening good risk management practice, Internal Audit will continue to emphasize that its role is to assist and ensure improvement, and that it is not a service to raise fear in managers and officers.

Value for Money

As well as ensuring the Internal Audit continues to provide value for money itself, by using the resources available to it in the most efficient way possible, it will also play a role in ensuring, when undertaking audits, that the units that are audited also display the same attitude towards protecting resources and financial interests.

Serving

Internal Audit serves the citizens of Gwynedd by performing its work diligently and professionally in order to assist the Head of Finance to ensure the proper use of taxpayers' money, and assisting the Audit Committee to give assurance to the electors on Gwynedd Council's management and governance arrangements. When undertaking their work, the Council's internal auditors will not forget that they have a key role in give assurance to the citizen through their officers and elected representatives.

Working as a Team

It is a necessity for Internal Audit to undertake their work independently, but despite the expectation that Internal Audit will act and assess objectively, it will do this with the clear objective of assisting other Council units to improve.

Positive

As the official definition notes, Internal Audit is an assurance function, not a service with an aim to find blame and errors. The unit would not be fulfilling its duties if it were to ignore risks and control weaknesses, but when highlighting such situations it will do so with a clear aim of providing independent and objective assurance to give value and improve the Council's procedures.



STANDARDS

How will we ensure a quality Internal Audit service?

It is the responsibility of the Senior Manager Audit & Risk to ensure that internal audit is provided in accordance with the CIPFA Code of Practice for Internal Audit in the United Kingdom 2006 (“the Code of Practice”) as far as is practicably possible.

In order to ensure that compliance with the Code of Practice continues, we will undertake a regular self-assessment — at least twice a year — to check that our procedures remain appropriate.

One of the key stages in order to achieve the Code of Practice is the development of this middle-term Internal Audit Strategy.

During the period of this Strategy, we expect a new Code of Practice to be introduced – the current (February 2012) code has been in place since 2006. Unlike previous versions, the Public Sector Internal Audit Standards will be developed jointly between CIPFA and the IIA (Institute of Internal Auditors). This may mean significant changes in the contents of the Code of Practice, and two fundamental tasks will face Internal Audit from the perspective of the new code:

1. Offer comments on the draft Public Sector Internal Audit Standards, to be launched in May 2012.
2. Ensure compliance with the new standards, including putting an implementation programme in place if required.



ANNUAL REVIEWS

For which parts of the Authority are annual reviews essential?

It is not possible to audit all aspects of risk and control every year, but within the risk and control regime some systems of high risk will need an annual review so that internal audit can provide the necessary assurance.

The Auditor General of Wales's Code of Audit Practice, April 2010, states that the Authority's external auditors (Wales Audit Office — WAO), when undertaking their audit of the Council's account, will rely where possible on the work of Internal Audit. Consequently, the Joint Protocol between External Audit and Internal Audit, approved by the Audit Committee on 17 November 2011, states:

10. As part of their key role in reporting upon the adequacy of internal control, and providing a basis for the authority's Annual Governance Statement, which is required to be published with the Council's annual statement of accounts, it is expected that Internal Audit will test key controls of the Council's major financial systems on an annual basis.

What are the "Major Financial Systems"?

We will correspond constantly with Wales Audit Office auditors to agree on this definition, but it is expected that the "Major Financial Systems" are:

- The Main Accounting System
- Payments
- Debtors
- Payroll
- Benefits
- Cash Collection
- Treasury Management
- Bank Reconciliation
- Local Taxation

We will also correspond and agree with WAO on what exactly is meant by the "key controls" for these systems.



ANNUAL REVIEWS

Do any other areas require an annual review?

Corporate Governance

One of Internal Audit's key objectives is to provide input to the Council's Annual Governance Statement (AGS). The AGS contains information and assurance about the Council's internal control arrangements, as well as an assessment of the authority's Corporate Governance arrangements. These requirements will receive attention as part of the process of planning Internal Audit work.

The Council's Local Code of Governance was adopted in April 2011. The Code of Governance is based on the CIPFA / SOLACE Framework, and contains the policies, strategies, procedures and processes that support the six core principles of that framework.

As part of the arrangements for preparing the Annual Governance Statement during the period of this strategy, Internal Audit will review the Council's procedures against the Code of Governance, ensuring that policies etc are in place and are being implemented, and they are actually supporting the Council's appropriate governance arrangements.

Funding Conditions

On some occasions, the body funding a specific scheme will insist upon an internal audit review, either annually or occasionally. The majority of these are from the Welsh Government, especially in the field of education. Specific time will be allocated in the annual audit plan for instances where an Internal Audit review is a funding requirement.

Areas of constant Control Weaknesses

Where experience from audit work suggests that substantial weaknesses exist in a business unit, project of establishment, or where "slipping back" has been seen after a previous improvement, Internal Audit will include annual reviews in its plan, to ensure that any improvements that are introduced are continuous and sustainable.



ANNUAL REVIEWS

How often will we audit the Council's establishments?

Schools

The Authority's primary, secondary and special schools are establishments that have their own governance arrangement, and although they are at arms length from the management of the local authority the Head of Finance's responsibilities for proper financial administration, together with other corporate requirements in terms of managing a range of risks, continue.

Primary schools will continue to be audited based on themes, which in turn will have been decided on the basis of a risk assessment. The intention is not to randomly select a sample of primary schools for these audits, but rather to aim to visit each primary school every 5 years.

The intention for 2011-2015 is to extend the arrangement of conducting theme-based audits to secondary and special schools as well, where previously full establishment audits had been undertaken. As with primary schools, the intention is to undertake reviews on the controls that are relevant to the greatest risks, therefore making best use of resources.

The themes for all schools will be selected on the basis of the risk register of the schools and the Education Department, and 6 to 8 themes will be reviewed every year.

Residential Homes

Since 2011/12 the Council's residential homes, like schools, have been audited on a theme basis. Feedback from managers within Provider and Leisure suggests that this approach is recognised as being more effective, focussing on the main risks, and this approach will continue throughout the period of this Strategy.

Leisure Centres

In the same way as schools and residential homes, during 2012-2015 the Council's leisure centres will also be reviewed on themes, with a sample of different centres selected each year for a review of the controls relating to the greatest risks.



FURTHER AUDITS

As well as the reviews that are needed annually, what other audits will be undertaken?

A risk is any event that can affect the Authority's ability to achieve its objects. The role of Internal Audit is to ensure that the Council has identified the significant risks that it faces, and has put arrangements in place to control these risks to an acceptable level, and implements these controls.

Generally, when considering the size of the Council and the variety of risks that it faces, those areas that require a full annual review every year are few and far between. The planning of internal audit work will include an assessment of the risks across the whole Council, systematically by business unit, in order to draw up an annual detailed programme of work that considers the resources available. Audits will concentrate on giving assurance on the arrangements that are in place to mitigate these risks.

Creating and Audit Plan – audit needs assessment

When preparing and Audit Needs Assessment, consideration will be given to those risks that can affect the Council's ability to achieve these objectives, and reviews the effectiveness of the steps to mitigate these risks.

We will use a systematic method to perform an audit needs assessment when developing the annual audit plan. This method will consider the risks that are attached to the Council's business units, activities and projects. The steps are:

1. Assess further work on financial systems
2. Consider the Three-Year Plan
3. Analyse departmental and cross-council risk registers
4. Awareness of risk matters that have been identified by Internal Audit
5. Identify grants to be reviewed
6. Analyse budgets and accounts
7. Consider further new developments (e.g. joint working plans)

Further details of these steps are found on the following pages.



FURTHER AUDITS

The stages in the process of assessing audit needs and developing the annual plan

1. Financial Systems

It is explained on page 6 that the key controls of the major financial systems are to be reviewed annually, in accordance with a protocol between Internal Audit and WAO auditors. The first step of the annual audit needs assessment will be consideration of what further audits will be required on these financial systems to ensure that the entire system has been periodically reviewed, not only the key controls. We do not envisage undertaking a full system audit more frequently than every three years as such reviews are often not the most effective and efficient use of resources.

2. Consider the Council's revised Three-Year Plan in a systematic manner

The Three-Year Plan is a key Council document as it is a strategic plan that summarises the improvement objectives that the Council want to address in the period 2011-14. The plan contains a number of improvement objectives that respond to threats and opportunities faced by the Council on a strategic level. These will offer additional value to the public, beyond the Council's usual business. As this is the process that addresses the Council's main risks, it is appropriate that Internal Audit gives attention to the risks that can affect the Council's ability to achieve its strategic aims. The plan will be reviewed and amended constantly.

Therefore, we will consider every project in the Three-Year Plan in order, assessing the need to include a review of the project in the annual audit plan.



FURTHER AUDITS

The stages in the process of assessing audit needs and developing the annual audit plan

3. Departmental risk registers – how much reliance can be placed on the risk analysis of Council managers?

The preparation of an audit needs assessment is not a one-off exercise in order to ensure appropriate internal audit coverage. Such an assessment will be continuously refined as awareness and understanding of individual risks develops, and activities start or come to an end. In this respect, it is essential that Internal Audit also considers the Council's risk registers when preparing its audit plan.

We accept that substantial work remains to develop mature, live risk registers across all Council business units and projects. Despite this, the work of doing this is underway, with the assistance of the Risk Co-ordination and Insurance Manager who is located within the Audit and Risk Unit. By the end of the period of this Strategy, it is expected that a robust risk register will be in place for the Council's business units and projects, and for the risks that cut across all Council.

When assessing audit needs, we will review those controls that are allegedly in place, so that an independent check can be performed that they are operating to the correct standard, prioritising those risks where the control makes the greatest difference to the risk score (e.g. bringing the risk down from being a very high risk to a low risk).

Where a risk register is not in place, Internal Audit has been reliant on completing its own risk assessment for developing its audit programme for individual audits.

4. Awareness of risk matters that have been identified by Internal Audit

After considering matters that have arisen from systematic analysis, we will then include matters in the audit plan that are derived from previous work, that have arisen during the year, or where there has been a request for an audit from a specific department. Awareness and knowledge of the Council is an important tool in the process of drawing up an audit needs assessment, one that should not be underestimated. This work will also include proactive tasks to prevent and find fraud.



FURTHER AUDITS

The stages in the process of assessing audit needs and developing the annual audit plan

5. Grants

Page 6 refers to the funding requirements of some grants that insist on an Internal Audit review. However, the Council accepts receives grants, and although they do not request Internal Audit input, an audit is required by the Wales Audit Office.

Grants, especially European grants, can be an area of high risk when considering the threat that money can be clawed back by the funding body if concerns arise regarding the administration of the grant.

By following the principle that it is better for any administrative weakness to be highlighted early by Internal Audit, rather than by external auditors when it may be too late, the administration of a sample of grants across the Council shall be audited annually.

6. Budgets and Accounts

We will review the Council's budgets and accounts when preparing the audit needs assessment. This will be a way of identifying the Council's activities, any areas of change, or areas where overspend raises concerns about financial administration..

A review of the Council's capital budget is a source that will allow us to substantial identify contracts that have been programmed for the financial year, allowing Internal Audit to plan an audit where appropriate.

7. New developments

We will look to respond promptly to any new developments that the Council may be a part of. For example, for the period of the Strategy the "Compact" will mean that much attention will be given to collaboration plans between Gwynedd Council and other authorities.



COLLABORATION

How will Audit collaborate, or rely on the work of others?

Wales Audit Office

In accordance with the Joint Protocol between External Audit and Internal Audit::

- We will co-operate on individual and overall audit risk assessments, and on annual and cyclical planning to identify areas for coverage by both parties, ensuring a 'joined up' approach to the Council's audit, avoiding duplication of effort and resources.
- Regular meetings will be diarised to facilitate good communication. These are used to update progress, discuss audit findings and improve joint planning.
- We will Exchange of information, including staff structures, responsibilities and roles within respective teams, general audit issues, technical advice, audit reports, frauds and irregularities.

Internal Auditors of other public bodies

We are committed to working with the internal auditors of the seven other councils in north and mid Wales, and with internal auditors from Betsi Cadwaladr University Health Board, in the development of the North and Mid Wales Internal Audit Partnership.

The Partnership's Strategy will be presented to the Audit Committee during 2012/13. The objectives of the Partnership are:

1. To deliver a more efficient and cost-effective internal audit service to our customers through managing the cost of our service and improving the quality of service to meet customers' needs.
2. To develop an appropriate strategic approach to the leadership and delivery of internal audit services, whether through collaboration or local delivery.
3. To develop an inclusive partnership with appropriate membership and governance arrangements.
4. To ensure buy-in of our internal audit staff, elected members, audit committees and senior management to our vision, aims and objectives.



COLLABORATION

How will Audit collaborate, or rely on the work of others?

Other agencies

Where it will be possible to avoid duplication of work to achieve the necessary assurance, we will seek to rely on the work of other agencies. This can include other parts of the Council. Our aim is to have created an Assurance Framework before the end of 2012/13 that illustrates these sources of assurance, which will include items such as:

- Health and Safety
- Regulatory services
- Performance Monitoring Arrangements
- Social Services Complaint Procedure
- External regulators
- Wales Audit Office.

Partnerships

Over recent years, the Council have developed a number of partnerships with other public bodies, that also occasionally contain private companies. It is expected that this will continue in future years.

Apart from the need to ensure consistency across council with regards to what exactly is meant by a “partnership”, Internal Audit will continue to discuss regularly with the internal auditors of the other public bodies to establish ways of giving each partner assurance in the most effective and efficient manner possible.

One obvious way of doing this would be to establish from the start of any partnership that an audit will be undertaken by the internal auditors of the Lead Authority who will provide assurance to the others, and this is what Gwynedd Council Internal Audit will be professing to the other partners.



AUDIT METHODS

What variety of audits methods will be used?

Risk Based Auditing

Risk Based Auditing will be the keystone of Internal Audit work during this period. This arrangement will allow us to concentrate our resources on the things that are genuinely important, allowing us to evaluate the most important risks and the controls that manage them.

Risk Based Auditing is based on a simple theory, that Internal Audit reviews those controls that are in place to mitigate the risks that could prevent the Council and its departments from achieving their objectives. Therefore, in drawing up the work programmes for individual audits, the following order will be followed:

Objective → Risk → Controls → Tests

As explained on page 11, the reliance that can be placed on departmental risk registers will be dependent upon the quality of these registers. In order to undertake effective Risk Based Auditing consideration will be given to the adequacy of the registers, whether all relevant risks have been contained in them, and further risk assessment by Internal Audit if required.

There are many areas where it is not as easy to use this methodology. These include:

- Where the number of transactions is low;
- Where all transactions can be verified to an independent source;
- For interim audits of the main systems where it is possible that only testing will be needed;
- Where it is known that the system is so weak that it is not appropriate to give an evaluation;
- For fraud investigations;
- For value for money reviews.



AUDIT METHODS

What variety of audits methods will be used?

Other types of Internal Audit work

As well as Risk Based Audits, we will also use a combination of the following in order to come to an overall opinion on the Council's risk management and internal control arrangements:

- **Information Technology Audits** — Internal Audit will ensure that it has one appointed officer that is responsible for specialist audits in the area of Information and Communication Technology. We will also use external specialists in this area where this is necessary, for the purposes of training and to ensure awareness of new developments.
- **Procurement / contract audits** — the widest definition of “contracts” is used in this context, that is an agreement to undertake work or provide goods or services for payment. For the first part of the period of this Strategy, every team will undertake capital and revenue contract reviews pertaining to their area of work, rather than using one specialist team. However, this arrangement will remain under review over the three years.
- **Value for Money reviews** — it is expected that internal audits are aware of Value for Money requirements when undertaking all their work. In addition to this, we will review the results of the work of the Council Efficiency Unit when considering programming VFM work in specific areas.
- **Fraud, corruption and irregularities audits** — Although fraud investigation is not the purpose of internal audit, every auditor must be aware of the possibility that fraud may be occurring. Specifically, the responsibility for investigating fraud has fallen upon Internal Audit as fraud often occurs because failures or weaknesses in internal control have presented an individual with an opportunity to take advantage of the lack of control. We will undertake investigations of this type in accordance with the contents of several policies and strategies such as the Anti-Fraud and Anti-Corruption Strategy, the Fraud Response Plan, the Whistleblowing Policy and the Disciplinary Policy.



PROVISIONS

What about the tasks that are not in the annual audit plan?

Follow-up Audits

For the period of the Strategy, Internal Audit will continue to undertake follow-up audits. In accordance with the wishes of the Audit Committee, we will continue to track the follow-up work of any audit that has been given a “C” or “CH” opinion category, but we will also aim to conduct follow-ups on audits that have been given a “B” opinion, where resources permit. Where the managers of a service that has been given a “C” or “CH” in the original report is required to present a progress report to the Audit Committee, we will undertake checks that what has been reported is accurate. We will include a provision of at least 80 days in the annual plan for follow-up work.

Consultancy work / advice

We will continue to provide advice to departments on matters of propriety and risk management, in order to assist them to make proper use of Council resources.

In every consultancy work undertaken by Internal Audit, we will seek to ensure that this advice does not compromise Internal Audit’s independence, and prevent us from making objective decisions. Internal Audit representation on any project team etc will be strictly limited to giving advice on internal controls and propriety. Any operational activity may compromise the independence of Internal Audit. It will often be advantageous for Internal Audit to be given the opportunity to provide advice from the start of a project, but internal audit will have no operational role and no auditor will be part of the decision-making process. We will include a minimum of 75 days in the annual plan for consultancy work / advice.

Fraud, corruption and irregularities

On a historic bases, we will include a minimum of 140 days in the annual plan for responsive audits / special investigations.



REPORTING

How will we communicate the results of our work?

We will continue to produce internal audit reports for full audits, and memoranda for smaller audits or follow-up work.

In accordance with the wishes of the Head of Finance and the Audit Committee, we will continue to categorise audit reports wherever appropriate, into categories similar to those currently used:

- Opinion “A”** Assurance of financial propriety can be expressed as the controls in place can be relied upon and have been adhered to.
- Opinion “B”** Controls are in place, and partial assurance of financial propriety can be expressed as there are aspects where some procedures can be strengthened.
- Opinion “C”** Assurance of financial propriety cannot be expressed as the controls in place cannot be relied upon, but losses/fraud due to these weaknesses were not discovered.
- Opinion “CH”** Assurance of financial propriety cannot be expressed as acceptable internal controls are not in place; losses / fraud resulting from these weaknesses were discovered.

Similarly, we will continue to place follow-up work in opinion categories:

- Excellent** all recommendations implemented as expected.
- Acceptable** most recommendations, including the majority of the main recommendations, implemented as expected.
- Unsatisfactory** several recommendations not implemented.
- Unacceptable** most recommendations (including essential recommendations) not implemented, and no evidence of efforts to improve internal controls.

For both types of audit, we will develop processes during the period of this Strategy to give better association with the corporate risk management arrangements, to improve the transparency of the process used to award an opinion category.



RESOURCES

How will we ensure resources to allow a

Provision of an Internal Audit Service

The Simpson report, “Local, Regional, National: What services are best delivered where?” states unambiguously that Internal Audit, and financial management, should be provided locally (but notes that there are some occasions where sub regional collaboration can be advantageous). Apart from the collaboration arrangements described on page 13, it is envisaged that Internal Audit will continue to be provided internally throughout the lifetime of this Strategy, but acknowledging that political developments locally, regionally or nationally could change this.

Staffing

The structure of the Internal Audit Section consists of 11 staff (full time equivalent), excluding the Senior Manager Audit and Risk. These resources have been divided into four audit teams, each with a team leader who is responsible for arranging, supervising and reviewing the work of their team. The four team leaders are accountable to the Senior Manager Audit and Risk. Staff will be rotated amongst teams as appropriate.

For the first 18 months of this Strategy, one of the team leaders will be on secondment to the Central Accountancy Unit, and therefore the work will be planned on the basis of 3 teams and 10 auditors; in 2013 it is envisaged that the unit will return to be four teams. It is noted, however, that there is an intention to reduce the staffing levels of the unit by one post in 2014/15 in response to the Council’s efficiency arrangements.

As part of the process of identifying audit resources, the Senior Manager Audit and Risk shall create a time budget for each auditor that will include an estimate of the time required for matters such as holidays, illness and management.

Except for the occasional use of a specialist IT Auditor, we do not envisage using external staff resources during the period of this Strategy.



RESOURCES

How will we ensure that the Internal Auditors continue to have the necessary skills?

Training

For the period of this Strategy, Internal Audit will continue to develop and reinforce the mix of skills and experience within the service, aided by the use of a “competency matrix” and post-audit reviews, in addition to the corporate staff appraisal scheme. We will use the CIPFA publication "The Excellent Internal Auditor" to assist with this process, where appropriate.

Internal Audit will continue with its objective of ensuring that a minimum of 2 auditors (not including the Senior Manager Audit and Risk) will be qualified with a CCAB body or the IIA, in addition to ensuring that at least one auditor will be receiving training for a professional qualification at any one time.

Internal Audit is committed also to providing training to each auditor. At least three courses on auditing skill will be held each year, either internally or jointly with other councils; each auditor will be expected to attend these training sessions. This is above and beyond any specialist training that officers will be expected to receive. The courses include those provided by the Training Group of the North and Mid Wales Internal Audit Partnership.

Every auditor that is a member of a professional body will be expected to undertake continuous professional development (CPD) in accordance with the requirements of that professional body

When using external specialists, assisting staff in their development will be a key part of the brief.



MEASURING QUALITY AND CONTINUOUS IMPROVEMENT

What performance and quality assurance measures will be in place?

Like every other part of the Council, we will partake in the Council's corporate arrangements for measuring and improving performance. A measure is defined as information that can be measured and that highlights is a service is meeting the expectations of the customer. Internal Audit's measures for the period of the Strategy are:

NUMBER: How much are we doing?		QUALITY: How well are we doing?	
	Ambition (2012/13)		Ambition (2012/13)
Actual number of audit days provided to Gwynedd Council	1,350	Number of Audit Standard where there is full compliance according to the Wales Audit Office review of the service	10
Actual of audit days provided to external customers	80		
Average days of training / CPD presented to audit staff	10		
What's the effect?			
			Ambition (2012/13)
% of audits in the plan that are ready to be presented to the Audit Committee as either the final report has been issued, or they have been closed			95%
Percentage of internal audits that have been given a "B" opinion or better			70% - 80%
Percentage of follow-up audits that have been given an "Acceptable" opinion or better			80% - 90%



RISKS

What risks does Internal Audit itself face?

The main threat that can prevent Internal Audit from achieving its objectives is a failure to comply with the Code of Practice because of one of the following:

- The Wales Audit Office unable to give assurance on the work of Internal Audit, and reporting as such in their audit of the accounts.
- Failure to complete an adequate percentage of the plan in accordance with targets.
- Failure to complete individual audits within the time allowed.
- A failure to provide the service to an adequate standard, leading to a failure in noting serious control failures or fraud, or giving incorrect guidance