



Kim Webber B.Sc. M.Sc.  
Chief Executive  
52 Derby Street  
Ormskirk  
West Lancashire  
L39 2DF

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Monday, 16 July 2018

**TO: COUNCILLORS P COTTERILL, R PENDLETON, T ALDRIDGE, T BLANE,  
C DERELI, J GORDON, N HENNESSY, J MEE, E POPE,  
A PRITCHARD AND C WYNN**

Dear Councillor,

A meeting of the **AUDIT & GOVERNANCE COMMITTEE** will be held in the **CABINET/COMMITTEE ROOM - 52 DERBY STREET, ORMSKIRK L39 2DF** on **TUESDAY, 24 JULY 2018 at 6.30 PM** at which your attendance is requested.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Kim Webber', written over a horizontal line.

Kim Webber  
Chief Executive

**AGENDA**  
**(Open to the Public)**

**1. APOLOGIES**

**2. MEMBERSHIP OF THE COMMITTEE**

To be apprised of any changes to the membership of the Committee in accordance with Council Procedure Rule 4.

**3. DECLARATIONS OF INTEREST**

If a Member requires advice on Declarations of Interest, he/she is advised to contact the Borough Solicitor in advance of the meeting. (For the assistance of members a checklist for use in considering their position on any particular item is included at the end of this agenda sheet).

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<b>4.</b>	<b>PUBLIC SPEAKING</b> Residents of West Lancashire on giving notice, may address the meeting to make representations on any item on the agenda except where the public and press are to be excluded during consideration of the item. The deadline for submission is 10.00am on Friday 20 July 2018.	67 - 70
<b>5.</b>	<b>MINUTES</b> To receive as a correct record the minutes of the meeting held on the 29 May 2018.	71 - 74
<b>6.</b>	<b>GRANT THORNTON - AUDIT FINDINGS REPORT</b> To consider the report of the Borough Treasurer.	75 - 76
<b>7.</b>	<b>APPROVAL OF STATEMENT OF ACCOUNTS</b> To consider the report of the Borough Treasurer.	77 - 78
<b>8.</b>	<b>INTERNAL AUDIT ACTIVITIES - QUARTERLY UPDATE</b> To consider the report of the Borough Treasurer.	79 - 90
<b>9.</b>	<b>REGULATION OF INVESTIGATORY POWERS (RIPA) ACT - REVIEW OF USE OF POWERS</b> Improved monitoring of activity under the Regulation of Investigatory Powers Act 2000 (RIPA) introduced by the relevant Code of Practice, recommends that Members receive reports regularly from Officers on RIPA activity. There is no relevant activity to report since the last meeting of the Committee.	
<b>10.</b>	<b>EXTERNAL REVIEW OF INTERNAL AUDIT</b> To consider the report of the Borough Treasurer.	91 - 116
<b>11.</b>	<b>INTERNAL AUDIT CHARTER</b> To consider the report of the Borough Treasurer.	117 - 132
<b>12.</b>	<b>WORK PROGRAMME</b> To consider the future Work Programme of the Committee.	133 - 134

**We can provide this document, upon request, on audiotape, in large print, in Braille and in other languages.**

**FIRE EVACUATION PROCEDURE: Please see attached sheet.**

**MOBILE PHONES: These should be switched off or to 'silent' at all meetings.**

For further information, please contact:-

Jill Ryan on 01695 585017

Or email [jill.ryan@westlancls.gov.uk](mailto:jill.ryan@westlancls.gov.uk)

**FIRE EVACUATION PROCEDURE FOR:  
COUNCIL MEETINGS WHERE OFFICERS ARE PRESENT  
(52 DERBY STREET, ORMSKIRK)**

**PERSON IN CHARGE:** Most Senior Officer Present  
**ZONE WARDEN:** Member Services Officer / Lawyer  
**DOOR WARDEN(S)** Usher / Caretaker

**IF YOU DISCOVER A FIRE**

1. Operate the nearest **FIRE CALL POINT** by breaking the glass.
2. Attack the fire with the extinguishers provided only if you have been trained and it is safe to do so. **Do not** take risks.

**ON HEARING THE FIRE ALARM**

1. Leave the building via the **NEAREST SAFE EXIT**. **Do not stop** to collect personal belongings.
2. Proceed to the **ASSEMBLY POINT** on the car park and report your presence to the **PERSON IN CHARGE**.
3. **Do NOT** return to the premises until authorised to do so by the **PERSON IN CHARGE**.

**NOTES:**

Officers are required to direct all visitors regarding these procedures i.e. exit routes and place of assembly.

The only persons not required to report to the Assembly Point are the Door Wardens.

**CHECKLIST FOR PERSON IN CHARGE**

1. Advise other interested parties present that you are the person in charge in the event of an evacuation.
2. Make yourself familiar with the location of the fire escape routes and inform any interested parties of the escape routes.
3. Make yourself familiar with the location of the assembly point and inform any interested parties of that location.
4. Make yourself familiar with the location of the fire alarm and detection control panel.
5. Ensure that the zone warden and door wardens are aware of their roles and responsibilities.
6. Arrange for a register of attendance to be completed (if considered appropriate / practicable).

**IN THE EVENT OF A FIRE, OR THE FIRE ALARM BEING SOUNDED**

1. Ensure that the room in which the meeting is being held is cleared of all persons.
2. Evacuate via the nearest safe Fire Exit and proceed to the **ASSEMBLY POINT** in the car park.
3. Delegate a person at the **ASSEMBLY POINT** who will proceed to **HOME CARE LINK** in order to ensure that a back-up call is made to the **FIRE BRIGADE**.
4. Delegate another person to ensure that **DOOR WARDENS** have been posted outside the relevant Fire Exit Doors.

5. Ensure that the **ZONE WARDEN** has reported to you on the results of his checks, **i.e.** that the rooms in use have been cleared of all persons.
6. If an Attendance Register has been taken, take a **ROLL CALL**.
7. Report the results of these checks to the Fire and Rescue Service on arrival and inform them of the location of the **FIRE ALARM CONTROL PANEL**.
8. Authorise return to the building only when it is cleared to do so by the **FIRE AND RESCUE SERVICE OFFICER IN CHARGE**. Inform the **DOOR WARDENS** to allow re-entry to the building.

**NOTE:**

The Fire Alarm system will automatically call the Fire Brigade. The purpose of the 999 back-up call is to meet a requirement of the Fire Precautions Act to supplement the automatic call.

**CHECKLIST FOR ZONE WARDEN**

1. Carry out a physical check of the rooms being used for the meeting, including adjacent toilets, kitchen.
2. Ensure that **ALL PERSONS**, both officers and members of the public are made aware of the **FIRE ALERT**.
3. Ensure that **ALL PERSONS** evacuate **IMMEDIATELY**, in accordance with the **FIRE EVACUATION PROCEDURE**.
4. Proceed to the **ASSEMBLY POINT** and report to the **PERSON IN CHARGE** that the rooms within your control have been cleared.
5. Assist the **PERSON IN CHARGE** to discharge their duties.

It is desirable that the **ZONE WARDEN** should be an **OFFICER** who is normally based in this building and is familiar with the layout of the rooms to be checked.

**INSTRUCTIONS FOR DOOR WARDENS**

1. Stand outside the **FIRE EXIT DOOR(S)**
2. Keep the **FIRE EXIT DOOR SHUT**.
3. Ensure that **NO PERSON**, whether staff or public enters the building until **YOU** are told by the **PERSON IN CHARGE** that it is safe to do so.
4. If anyone attempts to enter the premises, report this to the **PERSON IN CHARGE**.
5. Do not leave the door **UNATTENDED**.



	This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

*"body in which the relevant person has a beneficial interest" means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest; "director" includes a member of the committee of management of an industrial and provident society;*

*"land" excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income; "M" means a member of a relevant authority;*

*"member" includes a co-opted member; "relevant authority" means the authority of which M is a member;*

*"relevant period" means the period of 12 months ending with the day on which M gives notice to the Monitoring Officer of a DPI;*

*"relevant person" means M or M's spouse or civil partner, a person with whom M is living as husband or wife or a person with whom M is living as if they were civil partners;*

*"securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.*

**'non pecuniary interest'** means interests falling within the following descriptions:

- 10.1(1)(i) Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
- (ii) Any body (a) exercising functions of a public nature; (b) directed to charitable purposes; or (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management;
- (iii) Any easement, servitude, interest or right in or over land which does not carry with it a right for you (alone or jointly with another) to occupy the land or to receive income.
- 10.2(2) A decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a connected person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward, as the case may be, affected by the decision.

**'a connected person'** means

- (a) a member of your family or any person with whom you have a close association, or
- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of a type described in sub-paragraph 10.1(1)(i) or (ii).

**'body exercising functions of a public nature'** means

Regional and local development agencies, other government agencies, other Councils, public health bodies, council-owned companies exercising public functions, arms length management organisations carrying out housing functions on behalf of your authority, school governing bodies.

A Member with a personal interest who has made an executive decision in relation to that matter must ensure any written statement of that decision records the existence and nature of that interest.

**NB** Section 21(13) of the LGA 2000 overrides any Code provisions to oblige an executive member to attend an overview and scrutiny meeting to answer questions.

## **PUBLIC SPEAKING – PROTOCOL**

**(For meetings of Cabinet, Overview & Scrutiny Committees, Audit & Governance Committee and Standards Committee)**

### **1.0 Public Speaking**

1.1 Residents of West Lancashire may, on giving notice, address any of the above meetings to make representations on any item on the agenda for those meetings, except where the public and press are to be excluded from the meeting during consideration of the item.

1.2 The form attached as an Appendix to this Protocol should be used for submitting requests.

### **2.0 Deadline for submission**

2.1 The prescribed form should be received by Member Services by 10.00 am on the Friday of the week preceding the meeting. This can be submitted by e-mail to [member.services@westlancs.gov.uk](mailto:member.services@westlancs.gov.uk) or by sending to:

Member Services  
West Lancashire Borough Council  
52 Derby Street  
Ormskirk  
West Lancashire  
L39 2DF

2.2 Completed forms will be collated by Member Services and circulated via e-mail to relevant Members and officers and published on the Council website via Modgov. Only the name of the resident and details of the issue to be raised will be published.

2.3 Groups of persons with similar views should elect a spokesperson to speak on their behalf to avoid undue repetition of similar points. Spokespersons should identify in writing on whose behalf they are speaking.

### **3.0 Scope**

3.1 Any matters raised must be relevant to an item on the agenda for the meeting.

3.2 The Borough Solicitor may reject a submission if it:

- (i) is defamatory, frivolous or offensive;
- (ii) is substantially the same as representations which have already been submitted at a previous meeting; or
- (iii) discloses or requires the disclosure of confidential or exempt information.

#### **4.0 Number of items**

- 4.1 A maximum of one form per resident will be accepted for each Agenda Item.
- 4.2 There will be a maximum of 10 speakers per meeting. Where there are more than 10 forms submitted by residents, the Borough Solicitor will prioritise the list of those allowed to speak. This will be considered having regard to all relevant matters including:
  - a. The order in which forms were received.
  - b. If one resident has asked to speak on a number of items, priority will be given to other residents who also wish to speak
  - c. Whether a request has been submitted in relation to the same issue.
- 4.3 All submissions will be circulated to Members of the relevant body and officers for information, although no amendments will be made to the list of speakers once it has been compiled (regardless of withdrawal of a request to speak).

#### **5.0 At the Meeting**

- 5.1 Speakers will be shown to their seats. At the commencement of consideration of each agenda item the Leader/Chairman will invite members of the public to make their representations. Residents will have up to 3 minutes to address the meeting. The address must reflect the issue included on the prescribed form submitted in advance.
- 5.2 Members may discuss what the speaker has said along with all other information, when all public speakers on that item have finished and will then make a decision. Speakers should not circulate any supporting documentation at the meeting and should not enter into a debate with Councillors.
- 5.4 If residents feel nervous or uncomfortable speaking in public, then they can ask someone else to do it for them. They can also bring an interpreter if they need one. They should be aware there may be others speaking as well.
- 5.5 Speakers may leave the meeting at any time, taking care not to disturb the meeting.

(Please see attached form.)





## REQUEST FOR PUBLIC SPEAKING AT MEETINGS

**MEETING & DATE** .....

**NAME** .....

**ADDRESS** .....

.....

Post Code .....

**PHONE** .....

**Email** .....

Please indicate if you will be in attendance at the meeting

<p><b>YES/NO*</b></p> <p>*delete as applicable</p>
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Note: This page will not be published.

(P.T.O.)



## AUDIT & GOVERNANCE COMMITTEE

**HELD:** Tuesday, 29 May 2018

Start: 6.30 pm

Finish: 7.32 pm

### PRESENT:

Councillor: P Cotterill (Chairman)  
R Pendleton (Vice-Chairman)

Councillors: C Dereli J Gordon  
N Hennessy J Mee  
E Pope

Officers: Terry Broderick, Borough Solicitor  
Marc Taylor, Borough Treasurer  
Mike Coysh, Internal Audit Manager  
John Addison, Principal Overview and Scrutiny Officer

### 1 APOLOGIES

There were no apologies for absence.

### 2 MEMBERSHIP OF THE COMMITTEE

There were no changes to the membership of the Committee.

### 3 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 4 PUBLIC SPEAKING

There were no items under this heading.

### 5 MINUTES

RESOLVED: That the Minutes of the meeting held on the 27<sup>th</sup> March 2018 be approved as a correct record and signed by the Chairman.

### 6 GRANT THORNTON REPORTS

Consideration was given to the report of the Borough Treasurer, which detailed the External Auditors, Grant Thornton's report that outlined their progress in delivering their responsibilities against their audit plan as well as a range of other matters. The report also contained, for Members comments, the Audit Fee letter that provided details on the audit fee and works that were planned to take place for 2018/19.

Members were informed that the Individual scale fees have been reduced by 23 percent from the fees applicable for 2017/18 and the Council's scale fee for 2018/19 has been set by Public Sector Audit Appointments Ltd (PSAA) at £33,684.

RESOLVED: That the Progress Report and the Planned Audit Fee letter be noted.

**7 INTERNAL AUDIT ANNUAL REPORT 2017-18**

The Audit Manager presented to Members the 2017-18 Internal Audit Annual Report for consideration. Members were reminded that the Audit Manager was required to present to the Committee an annual opinion report, which identified matters that the Audit Manager considered relevant to Member's consideration of the Annual Governance Statement and Statement of Accounts.

It was noted that the Internal Audit Annual Report concluded that West Lancashire Borough Council's risk management systems and framework of governance and control were adequate and effective.

RESOLVED: That the Internal Audit Annual Report for 2017-18 be noted.

**8 INTERNAL AUDIT ACTIVITY - QUARTERLY UPDATE**

The Audit Manager presented the Committee with a report that summarised progress against the 2018/19 Internal Audit Plan.

Members were reminded that for 2018-2019, the dates of this Committee had been changed to accommodate the new accounts closedown timetable and the reported figures cover the period to mid-May, whereas in previous years the update was on progress as at mid-June.

It was reported that so far this year there had been an increase in work streams with 31 included in the annual plan compared to 24 in 2017/18. Progress against the plan to date was satisfactory with 16% of audits in progress, similar to the position reported in 2017/18 when it was 17%.

RESOLVED: That progress in the year to date against the 2018/19 Internal Audit Plan be noted.

**9 ANNUAL GOVERNANCE STATEMENT**

The Borough Treasurer submitted to Members for approval the Annual Governance Statement 2017/2018. It was reported that the Accounts and Audit Regulations required the Council to publish an Annual Governance Statement with its financial reports.

The Annual Governance Statement provided a summary of the Council's internal control environment and a review of its effectiveness. The 2017/2018 Statement confirmed that the framework was adequate and that it was working effectively.

It was reported that all Heads of Service and Senior Managers at the Council had considered and signed a Certificate on Internal Control to confirm that governance arrangements and internal controls had not been compromised during the past year in their areas of responsibility. Members were reminded that Managers are charged

with embedding governance systems in their areas of work, this was an integral part of the annual review process.

RESOLVED: That the Annual Governance Statement 2017/2018, be approved and commended to the Leader and Chief Executive for signature.

## 10 **STATEMENT OF ACCOUNTS**

The Borough Treasurer submitted to Members a report outlining details on the preparation of the Statement of Accounts for the year ended 31st March 2018. It was noted that in previous years the draft statement had to be produced by the end of June and the audited statement approved before the end of September. However due to changes in government regulations the timescales for this work had now been brought forward, so that the draft statement had to be produced by the end of May and the audited statement approved before the end of July.

The Borough Treasurer stated that currently, the draft statement of accounts was being reviewed and verified, and was on course to be produced by the due date. Once the accounts were finalised it was intended that they would be published on the Council's website.

During June and July, the Council's External Auditors – Grant Thornton, would conduct an audit of the accounts. This period would also provide Members with the opportunity to scrutinise the accounts in detail and request any additional information or raise any issues.

Members were reminded that regulations required the External Auditors report on their findings from the audit directly to Members before the end of July. This report would be presented to the next meeting of the Audit and Governance Committee.

RESOLVED: A. That the report on the Statement of Accounts 2017/2018 be noted.

B. That a further report to approve the audited Statement of Accounts be produced for the next meeting of the Committee.

## 11 **RIPA ACT MONITORING OF USE OF POWERS**

In relation to the quarterly monitoring of activity under the Regulation of Investigatory Powers Act 2000 (RIPA) the Borough Solicitor reported that there was no relevant activity to bring to the attention of the Committee.

RESOLVED: That the report be noted.

## 12 **ANTI-FRAUD AND CORRUPTION ACTIVITIES**

The Borough Treasurer provided the Committee with a summary of the fraud, bribery and corruption issues facing the Council and the action being taken to deal with them.

It was reported that the Council had always taken a steadfast approach to tackling fraud and corruption issues. The importance and profile of this issue had increased in recent times as a result of the difficult financial climate and reductions in Council funding. This had caused a double impact because economic distress could increase the incentive to commit fraud, and at the same time controls to prevent and detect fraud had come under pressure as Councils had to reduce their costs as a result of funding reductions.

RESOLVED: A. That the self-assessment of Fraud and Corruption issues as set out in Appendix 1 be noted.

B. That the Counter Fraud Plan as set out in Appendix 2 be endorsed.

13 **WORK PROGRAMME**

Consideration was given to the Committee's Work Programme with the Members agreeing that prior to the Committee meeting in July that a training session on procurement be organised and it was noted that at prior to the October Committee, Members would receive training on the development company.

RESOLVED: That the Work Programme be noted.

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**Chairman**



## AUDIT AND GOVERNANCE COMMITTEE:

24 July 2018

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**Report of:** Borough Treasurer

**Contact for further information:** Marc Taylor (Extn. 5092)  
(E-mail: [marc.taylor@westlancs.gov.uk](mailto:marc.taylor@westlancs.gov.uk))

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**SUBJECT: GRANT THORNTON - AUDIT FINDINGS REPORT**

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Wards affected: Borough wide

### **1.0 PURPOSE OF THE REPORT**

1.1 To receive a report from our External Auditors setting out their findings on the audit of the accounts and value for money.

### **2.0 RECOMMENDATION**

2.1 That the report be noted.

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### **3.0 BACKGROUND**

3.1 A report on the Statement of Accounts for 2017-18 was considered by this Committee at its meeting in May. The unaudited accounts were published at this time and a notice placed on the Council website to make Members of the Public aware of their rights to inspect the accounts.

3.2 During June and July a team of auditors from Grant Thornton has spent several weeks auditing the accounts and reviewing the Statement. The External Auditors are now required to present their findings from this audit in a report to Members.

## **4.0 AUDIT FINDINGS**

- 4.1 At the time of writing this report the external auditors had completed most of their audit on the accounts, and the results of this work are set out in the Appendix. This shows that it is expected that the Council will receive an unqualified opinion on its accounts and provides a positive conclusion on value for money.
- 4.2 Representatives of Grant Thornton will attend the Committee meeting to present their findings and answer any questions that Members may have on the audit of the accounts.

## **5.0 SUSTAINABILITY IMPLICATIONS**

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

## **6.0 RISK ASSESSMENT**

- 6.1 The audit of the Statement of Accounts is part of the overall control framework that is designed to ensure that the Council properly accounts for the use of its assets and resources.

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

Appendix – Grant Thornton Audit Findings Report (TO FOLLOW)





## AUDIT AND GOVERNANCE COMMITTEE:

24 July 2018

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**Report of:** Borough Treasurer

**Contact for further information:** Marc Taylor (Extn. 5092)  
(E-mail: [marc.taylor@westlancs.gov.uk](mailto:marc.taylor@westlancs.gov.uk))

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### **SUBJECT: APPROVAL OF STATEMENT OF ACCOUNTS**

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Wards affected: Borough wide

#### **1.0 PURPOSE OF THE REPORT**

1.1 To approve a Letter of Representation and the Council's annual Statement of Accounts.

#### **2.0 RECOMMENDATIONS**

2.1 That the Letter of Representation set out in Appendix 1 be endorsed.

2.2 That the Statement of Accounts set out in Appendix 2 be approved.

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#### **3.0 BACKGROUND**

3.1 A report on the Statement of Accounts for 2017-18 was considered by this Committee at its meeting in May, and the unaudited accounts were published on the Council's website at this time. The external auditors have now largely completed their audit on these accounts, and details of their findings are contained in a separate report elsewhere on this agenda.

3.2 It is part of the terms of reference of this Committee that it will approve the Council's Statement of Accounts each year. The Accounts and Audit Regulations require that this approval has to take place by 31<sup>st</sup> July.

#### **4.0 LETTER OF REPRESENTATION**

- 4.1 It is standard practice that the Council should provide its External Auditors with a Letter of Representation to confirm a range of issues in relation to the accounts, including the fact that the accounts have been properly prepared and that all relevant information has been provided.
- 4.2 A copy of this letter is contained in Appendix 1 and Members are asked to consider and endorse this document for signature by the Borough Treasurer.

#### **5.0 APPROVAL OF STATEMENT OF ACCOUNTS**

- 5.1 The external auditors have presented their findings from their audit of these accounts in a separate report elsewhere on the agenda. Their report identifies a number of issues on the accounts and that it is expected that an unqualified opinion will be provided on them. A full copy of the statement incorporating any agreed amendments is contained in Appendix 2. Members are now asked to approve the Statement in accordance with the Accounts and Audit Regulations.

#### **6.0 SUSTAINABILITY IMPLICATIONS**

- 6.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

#### **7.0 RISK ASSESSMENT**

- 7.1 The audit of the Statement is part of the overall control framework that is designed to ensure that the Council properly accounts for the use of its assets and resources.

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#### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

#### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

#### **Appendices**

Appendix 1 – Letter of Representation (TO FOLLOW)

Appendix 2 – Statement of Accounts (TO FOLLOW)



## AUDIT AND GOVERNANCE COMMITTEE:

24 July 2018

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**Report of:** Borough Treasurer

**Contact for further information:** Mr M.Coysh (Extn. 2603)  
(E-mail: [mike.coysh@westlancs.gov.uk](mailto:mike.coysh@westlancs.gov.uk))

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**SUBJECT:** INTERNAL AUDIT ACTIVITY – QUARTERLY UPDATE

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Wards affected: Borough wide

### **1.0 PURPOSE OF THE REPORT**

1.1 To advise of progress against the 2018/19 Internal Audit Plan.

### **2.0 RECOMMENDATION**

2.1 That Members note progress in the year to date.

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### **3.0 BACKGROUND**

3.1 This Committee approved the 2018/19 Internal Audit Plan and the Audit Manager brings written updates on progress to each meeting of this Committee.

3.2 This report summarises progress to date. This work will inform the overall opinion in the Internal Audit Annual Report presented to this Committee following the end of the financial year.

### **4.0 INTERNAL AUDIT ACTIVITY TO DATE**

4.1 An appendix summarising progress to date and any significant issues arising is attached and the Internal Audit Manager will attend the meeting to present the report should Members have any questions.

4.2 It should be noted that this year the dates of this Committee have been changed to accommodate the new accounts closedown timetable. In previous financial years meetings have generally fallen in June, September, January and March. This year this has been changed to May, July, October and January so figures reported here fall between the dates used for reporting in previous years, preventing direct comparison.

- 4.3 This year has also seen an increase in work streams with 31 included in the annual plan compared to 24 in 2017/18.
- 4.4 Progress against the plan to date is satisfactory with 26% of audits commenced, falling in the range between the positions reported in June and September 2017, 17% and 38% respectively.

## **5.0 SUSTAINABILITY IMPLICATIONS**

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

## **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 6.1 The financial and resource implications arising from activity identified in this report are included in existing budget provisions.

## **7.0 RISK ASSESSMENT**

- 7.1 This report summarises progress against Internal Audit's work programme to date. Internal Audit's work is a key source of assurance to this Committee in relation to the risk management, control and governance processes the Council has in place to secure its objectives.

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

1. Internal Audit Quarterly Update.

## INTERNAL AUDIT QUARTERLY UPDATE

**1.0 Summary of Progress against the 2018/19 plan.**

Progress against the plan to date is satisfactory with 26% of audits commenced, falling in the range between the positions reported in June and September 2017, 17% and 38% respectively.

<b>Title</b>	<b>Position</b>
General Data Protection Regulations	Work not commenced
Contract and Procurement	Work in progress
Off Street Parking	Work in progress
Main Accounting	Work not commenced
Treasury Management	Work not commenced
Payroll	Work not commenced
Property Management	Work not commenced
Service Now	Work not commenced
Home Care Link	Work in progress
Business Rates	Work not commenced
Sustainable Organisational Review	Work not commenced
Anti-fraud review	Work in progress
Insurance	Work in progress
Risk Management	Work not commenced
Sheltered housing	Work not commenced
Housing Rents	Work not commenced
Performance indicators	Work in progress
ICT	Work not commenced
Benefits	Work not commenced
Creditors	Work not commenced
Debtors	Work not commenced
Cashiers - Income Management	Work not commenced
Council Tax	Work not commenced
Right to Buy Sales	Work in progress
Caretaking	Work not commenced
Homefinder	Work not commenced
Commercial waste	Work not commenced
Civic bulky collections	Work not commenced
National Fraud Initiative	Work in progress
Annual Governance Statement	Work not commenced
Money Laundering Reporting Officer	Work not commenced
<b>Summary</b>	
Work complete	0
Work in progress	8
Work not commenced	23
<b>Total</b>	<b>31</b>

## 2.0 Assurance rating system

2.1 This report records the levels of assurance provided by Internal Audit's work. The following categories are used to record the level of assurance.

**Full assurance:** there is a sound system of internal control designed to secure objectives and controls are being consistently applied.

**Substantial assurance:** there is a generally sound system of internal control in place designed to secure objectives and controls are generally being applied consistently. Some weaknesses in the design or operation of the controls put the achievement of particular objectives at risk.

**Limited assurance:** weaknesses in design or inconsistent application of controls put the achievement of objectives at risk.

**No assurance:** weak controls or significant non-compliance with controls could result (or have resulted) in failure to achieve objectives.

2.2 No system of internal control can eliminate every possible risk and increasing the level of control in a system frequently increases costs. Balancing risk appropriately against the costs of control is management's responsibility.

2.3 Internal Audit's role is to evaluate and improve the effectiveness of risk management and control processes.

2.4 It is important to recognise that the scope of the work in each area examined defines the limits of the assurance which can be provided and to give context to the assurance provided work is summarised in the reports set out below.

## 3.0 Assurance reports:

### 3.1 Creditors

The Creditors process consists of the ordering, approving and receiving of goods and services as requested by the originating departments and the payment for such goods and services in accordance with financial rules and regulations.

The Council's revenues and benefits service (provided by BTLS) is responsible for the processing of supplier invoice payments on behalf of the authority.

#### 3.1.1 Objectives

To examine systems, procedures and records relating to a variety of payments made through the creditor system administered by BTLS Revenues and Benefits.

To ensure system access permissions are current and up to date and that performance is being reported correctly. To confirm supporting guidance, procedures and policies are appropriate and up to date and creditor records comply with the Council's retention and disposal schedule.

### 3.1.2 Observations

The review concluded that there are appropriate controls in place for the payment of creditor invoices. The transactions examined had been processed correctly. Some minor issues were identified to management and an action plan was agreed to address these

### 3.1.3 Assurance

This Internal Audit work provides **substantial assurance** that appropriate procedures are in place for the administration of creditor invoices and that the creditors system is operating effectively.

## 3.2 Debtors

The debtors system is used to produce / issue invoices for services provided by the Council. Processes from the initial creation of a debtor account through to collection of outstanding debt are executed under contract on behalf of the authority by BTLS Revenues and Benefits.

### 3.2.1 Objectives

To examine systems, procedures and records relating to payments made through the debtor system and test a sample of 30 debtor accounts to confirm invoices were processed correctly.

To confirm the adequacy of the audit trail from the originating department through to the debtors system and general ledger. To review performance against target for the percentage of revenue collected against debt raised.

To understand if there are any discernible trends in volume and channel /methods of payment and if there are any issues currently being experienced that may impact future operations.

### 3.2.2 Observations

The review concluded that there are appropriate controls in place for the collection of debtor invoices. The accounts examined had been processed correctly with the exception of one minor clerical error. One potential issue was identified in relation to the retention of periodic invoice master records which is currently being explored further.

### 3.2.3 Assurance

This Internal Audit work provides **substantial assurance** that effective controls are in place for the processing of debtor invoices.

### **3.3 Housing Benefits Service (delivered by BTLS)**

Housing Benefits assess claims and administer payments to tenants on low income to help with the payment of rent.

#### **3.3.1 Objectives**

To review the systems (Northgate and Civica), procedures and records relating to the processing of 60 housing benefit and council tax support (if the claimant is in receipt) claims in payment, to ensure that they have been correctly assessed. Review the Right Benefit Initiative (RBI) procedures.

#### **3.3.2 Observations**

Testing of the 60 cases found that one parameter had not been updated, all other parameters have been checked and no issues identified. The parameter has been corrected and the cases affected corrected.

Some minor issues with processing and assessment were identified and an action plan to address these has been agreed with management

No issues were identified with RBI procedures.

#### **3.3.3 Assurance**

This Internal Audit work provides **substantial assurance** that appropriate procedures are in place for the administration of the service and that the Northgate and Civica systems are operating effectively.

### **3.4 Payroll**

Human resources are responsible for maintaining the main payroll system which is currently provided under contract through the Itrent system provided by Wigan MBC.

#### **3.4.1 Objectives**

To review systems, procedures and records relating to the processing of payroll by checking a sample of overtime claims, standby payments, deductions. Checks were also made on the use of self-service forms processed through the system. A comparison of Itrent to the Etarmis time recording system was carried out to verify sickness absence recorded on the system. A review was also completed of Etarmis balances which provide one aspect of control on contractual hours worked for staff on the flexitime system.

#### **3.4.2 Observations**

The review concluded that procedures in place were adequate. Checks identified a number of minor issues with transactions which indicated inadequate checks on the accuracy of data input to the system by managers in some areas and an action plan was agreed to address these.



### 3.4.3 Assurance

This Internal Audit work provides **substantial assurance** that appropriate procedures are in place for the administration of payroll.

## 3.5 **Cashiers Service (delivered by BTLS)**

BTLS are responsible for the day to day management and administration of the Civica Icon cash receipting system.

### 3.5.1 Objectives

To review the systems, procedures and records relating to the processing of income. The procedures relating to clearing suspense accounts, reconciliations and review of the process relating to new income streams.

### 3.5.2 Observations

No significant issues were identified with systems and procedures examined. Minor improvements to increase the efficiency of processes suggested by the auditee were agreed and included in the action plan.

### 3.5.3 Assurance

This Internal Audit work provides **substantial** assurance that appropriate procedures are in place for the administration of the service and that systems are operating effectively.

## 4.0 **Other matters of note.**

### 4.1 Update on the Management of Electronic Records

The management of electronic records was identified as a significant governance issue for the Council in its 2016-17 Annual Governance Statement.

A report was considered at Council in July 2017 summarising the proposed actions to address the issue, which were agreed. An action plan is in place and being implemented to improve governance arrangements to ensure continuing compliance with the relevant regulatory requirements and good practice including adherence to the Corporate Retention and Disposal Schedule.

In June 2017 this Committee resolved, that a report on Electronic Records be submitted to a future meeting.

The 2017-18 Annual Governance Statement noted that the Council is continuing to improve and manage its electronic records and is keeping the position under review and monitoring progress through reports to this Committee.

This matter will continue to be reported in summary form in internal audit updates until such time as the governance issues are resolved.

Current position:

- A new data storage architecture for user created files generated across the Council's ICT network has been agreed in principle by WLBC.
- Revised governance arrangements for data storage and maintenance of user access permissions have been agreed in principle by WLBC.

(The proposed governance arrangements for the new structure and the arrangements for migration of data to the new storage architecture are designed to ensure council wide adherence to new corporate standards for data storage which will enhance control, increase efficiency and secure a reduction in the volume of data held.)

- BTLS are now working on the functional specification to enable implementation of the technical aspects of the proposed solution.
- The scope of WLBC's review project has now been widened to encompass the Council's governance arrangements for the use of e-mail.

Monitoring of the key risks associated with the project will continue through the Council's regular risk assessment process.

#### 4.2 Update on review of conformance with Public Sector Internal Audit Standards (PSIAS)

This item will now be removed from the quarterly update due to successful completion of the external assessment reported elsewhere on this agenda.

#### 4.3 Update in relation to Property Services engagement of a contractor.

A report was brought to the March meeting of this Committee summarising issues identified during audit examination of Property Services' arrangements for the engagement of a contractor and the management of the subsequent contract. Members requested to be kept up to date with progress against the actions planned to address the issues identified.

The updated plan is attached at the end of this report and the Audit Manager will be in attendance at the meeting to brief the Committee on the current position

## **5.0 Conclusion**

- 5.1 The 2018/19 Internal Audit Plan is designed to fulfil the Council's duty under the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards. The external review of Internal Audit's work concluded that it generally conforms with the Public Sector Internal Auditing Standards and the new internal audit structure is providing adequate resources to deliver the coverage outlined the 2018/19 plan.

## Property Services Contractor Engagement Action Plan

	<u>Issue</u>	<u>Action</u>	<u>Responsible</u>	<u>Timescale</u>
1.	Lack of adequate documentation of the procurement process.	Since the procurement process referred to in this report the Council has implemented an e-procurement system. The system records all steps in procurement exercises administered through it. Its use is now mandatory for all contracts over £50,000 under the Council's current Contracts Procedure Rules.	Procurement Executive	Complete
2.	Failure to comply with Contracts Procedure Rules and Financial Regulations and to record transactions adequately.	Non-compliance cannot be corrected retrospectively. Further training will be provided for staff in property services on the requirements of Contract Procedure Rules, Financial Regulations and in relation to transaction processing to clarify requirements for clearing invoices and to ensure that staff understand the conditions for exceptions to established creditor payment procedures.	Director of Housing and Inclusion	Ongoing
3.	Failure to seek authority to make changes to financial systems.	All staff to be reminded that changes should not be made to financial systems without consultation with internal audit (and where necessary the approval of the Borough Treasurer)	Borough Treasurer	Complete
4.	Absence of a signed agreement governing the arrangement.	Non-compliance cannot be corrected retrospectively. Internal Audit will carry out a review comparing property services expenditure over the threshold at which a contract is required to agreements held by legal services to evidence levels of compliance in other contracts.	Internal Audit Manager	Ongoing

5.	Non-compliance with Council's Document retention requirements.	A corporate programme of review and cataloguing of records is in progress. It has been agreed that Property Services will be included early in the programme to ensure appropriate document retention criteria are developed and implemented.	Information Asset Owners in consultation with Data Access and Storage Governance Project Officer	In progress
6.	Establish transparency and accountability in payment procedures adopted.	All officers authorising payments to be instructed that no invoices including "premium payments" to third parties are to be authorised and any presented for payment are to be referred immediately to the Internal Audit Manager	Borough Treasurer	Complete
7.	Issues relating to transparency and accountability due to alternative payment procedure adopted.	Internal Audit to carry out a programme of checks to identify whether this practice has been employed on any other existing contracts in property services.	Internal Audit Manager	Complete
8.	To establish that there are no other unauthorised amendments to established creditor payment procedures in use.	Examination by internal audit of payments made by property services through creditors (including the D100 process) to ensure these comply with corporate requirements.	Internal Audit Manager	Complete





## AUDIT AND GOVERNANCE COMMITTEE:

24 July 2018

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**Report of:** Borough Treasurer

**Contact for further information:** Mr M.Coysh (Extn. 2603)  
(E-mail: [mike.coysh@westlancs.gov.uk](mailto:mike.coysh@westlancs.gov.uk))

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**SUBJECT: EXTERNAL REVIEW OF INTERNAL AUDIT**

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Wards affected: Borough wide

### **1.0 PURPOSE OF THE REPORT**

1.1 To advise Members of the outcome of the external review of internal audit's conformance to the Public Sector Internal Audit Standards (the review).

### **2.0 RECOMMENDATION**

2.1 That Members note the review's overall conclusion that West Lancashire Borough Council's Internal Audit Service generally conforms to the requirements of the Public Sector Internal Audit Standards and those of the Local Government Application Note.

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### **3.0 BACKGROUND**

3.1 The Chartered Institute of Public Finance and Accountancy (CIPFA), the body responsible for setting Standards for Internal Audit in local government across the UK, together with the Standard setters for other public services have adopted a common set of Public Sector Internal Audit Standards (PSIAS).

3.2 These are based on the mandatory elements of the Institute of Internal Auditors International Professional Practices Framework and include its Definition of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing.

3.3 In creating the PSIAS the mandatory elements of the International Professional Practices Framework have been interpreted or adapted where necessary for the public sector and CIPFA has published a Local Government Application Note to provide sector-specific guidance.

3.4 The Standards define the nature of internal auditing and principles for carrying out internal audit within the UK public sector, establishing a framework for providing internal audit services which add value to the organisation, leading to

improved organisational processes and operations, and also provide the basis for the evaluation of internal audit performance and improvement planning.

- 3.5 The Standards require regular in-house evaluation of internal audit's compliance with the PSIAS with an external assessment by a suitably qualified assessor from outside the organisation every five years.
- 3.6 Following consideration by this Committee CIPFA were commissioned to undertake the external review of the Council's Internal Audit Service which was carried out in February and March of this year.
- 3.7 The final report on the review was released in June and is attached at appendix 1.

#### 4.0 Summary of findings

4.1 The review examined Internal Audit's conformance with the Code of Ethics and each individual element of the Standards grouped under the 11 headings set out below.

- Purpose, authority and responsibility
- Independence and objectivity
- Proficiency and due professional care
- Quality assurance and improvement programme
- Managing the internal audit activity
- Nature of work
- Engagement planning
- Performing the engagement
- Communicating results
- Monitoring progress
- Communicating the acceptance of risks

4.2 External reviews have one of three outcomes, finding that a service either:

- **Does not conform to the Standards** - The internal audit service is not aware of, is not making efforts to comply with, or is failing to achieve many/all of the elements of the standards. These deficiencies will usually have a significant adverse impact on the internal audit service's effectiveness and its potential to add value to the organisation. These will represent significant opportunities for improvement, potentially including actions by senior management or the board.
- **Partially conforms to the Standards** - the internal audit service falls short of achieving some elements of good practice but is aware of the areas for development. These will usually represent significant opportunities for improvement in delivering effective internal audit and conformance to the standards.
- **Generally conforms to the Standards** - The internal audit service complies with the standards with only minor deviations. The relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, at least comply with the requirements of the section in all material respects.

4.3 The review concluded:

"From the evidence reviewed as part of the external quality assessment, it is apparent that the Council's Internal Audit Service is a competent and respected



Service. The Service is effective, follows best practice wherever it can, and is willing to adapt to the changing needs of the Council. Recent appointments have strengthened the team and these will enable the Internal Audit Manager to adapt and develop the Service in a way that will ensure it remains effective and aligns with the changing needs of the Council.

Internal Audit is providing an objective risk based internal audit service to the Council, but nonetheless there are opportunities to enhance and develop their operations that they should embrace if they are to maintain their status within the Council, and enhance their conformity to the PSIAS and the LGAN.

During this review, we did not identify any areas of non-compliance with the standards. We have identified one area of partial compliance with the standards, and where the Service generally conforms to the standards, we have identified some minor observations that should be addressed.

On this basis, it is our opinion that West Lancashire Borough Council's Internal Audit Service **GENERALLY CONFORMS** to the requirements of the Public Sector Internal Audit Standards and those of the Local Government Application Note."

- 4.4 Internal audit found the review process positive and would like to record their appreciation for the opportunity afforded them to explore potential enhancements to the service at length with the lead reviewer whose experience, in depth knowledge and insights on current developments in the field proved a useful source of reference for the entire team.
- 4.5 An action plan has been agreed to address the report's recommendations and suggestions for enhancements to the service.

## **5.0 SUSTAINABILITY IMPLICATIONS**

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

## **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 6.1 The financial and resource implications arising from actions identified in this report are included in existing budget provisions with the exception of those relating to potential opportunities to enhance the service. Should these be adopted they will be progressed through the regular budget setting process.

## **7.0 RISK ASSESSMENT**

- 7.1 The results of the external review of internal audit were positive. An action plan has been agreed to further enhance the services conformance with the PSIAS and ensure that it continues to meet the Standards to discharge the Council's statutory duty under the Accounts and Audit Regulations 2015 to undertake an effective internal audit evaluating the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

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## **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

Appendix 1 - Report of the External Quality Assessment of Conformance to the Public Sector Internal Audit Standards - West Lancashire Borough Council

# **External Quality Assessment of Conformance to the Public Sector Internal Audit Standards**

## **West Lancashire Borough Council**

### **Final Report**

**Lead Associate: Ray Gard, CPFA, FCCA, CFIIA, DMS**

**Internal QA: Policy & Technical, CIPFA**

**8 June 2018**

# Review of West Lancashire Borough Council's Internal Audit Service –28<sup>th</sup> February to 7<sup>th</sup> March 2018

## 1. Introduction

Internal audit within the public sector in the United Kingdom is governed by the Public Sector Internal Audit Standards (PSIAS), which have been in place since 1<sup>st</sup> April 2013 (revised 2016 and 2017). The standards require periodic self-assessments and an assessment by an external person at least every five years.

## 2. Background

West Lancashire Borough Council's Internal Audit Service is based at the Civic Centre in Ormskirk, Lancashire. The current structure of the Service comprises 3.6 full time equivalent (FTE) experienced auditors, comprising an Internal Audit manager (PIIA & CIA qualified), and 2.6 FTE Auditors

The Service has carried out a self-assessment to see how they compare to the requirements of both the PSIAS and the CIPFA local government application note (LAGN), and used the outcome of the review to inform the quality assurance and improvement plan. The Internal Audit Manager felt that the time was right to have the mandatory external quality assessment of the Internal Audit Service and commissioned CIPFA to undertake a full assessment of the Service.

## 3. Review Process

The review was carried out between the 28<sup>th</sup> February and the 7<sup>th</sup> March 2018 through a process of interviews and document review. Interviews were carried out with the members of the Internal Audit Service, key stakeholders including members of the Council's Senior Management Team, the external auditors, and the Chair of the Audit and Governance Committee.

The document review phase of the process involved a detailed review of the documents used and produced by the Internal Audit Service. The Service provided a comprehensive range of documents that were available for examination prior to and during this review. These included the audit plan; audit protocol; the Service's self-assessment against the PSIAS and the LGAN; individual audit files and working papers; and a range of reports and communications that demonstrated the flow of information between the Service, senior management and the Audit and Governance Committee. Whilst all of the documents contributed to the external quality assessment, the following are regarded as fundamental and a major contributor to the review process:

- the audit charter, covering reports and the Audit and Governance Committee terms of reference;
- progress reports to the Council's Audit and Governance Committee and senior management;
- the Internal Audit Manager's annual report and opinion to the Audit and Governance Committee;
- audit plans and covering reports to the Audit and Governance Committee;
- the audit manual;
- individual audit reports and working papers;
- the self-assessment and quality assurance and improvement programme;
- staff declarations of interest and objectivity; and
- staff training and development records.

#### 4. Conclusion and Opinion

From the evidence reviewed as part of the external quality assessment, it is apparent that the Council's Internal Audit Service is a competent and respected Service. The Service is effective, follows best practice wherever it can, and is willing to adapt to the changing needs of the Council. Recent appointments have strengthened the team and these will enable the Internal Audit Manager to adapt and develop the Service in a way that will ensure it remains effective and aligns with the changing needs of the Council. Internal Audit is providing an objective risk based internal audit service to the Council, but nonetheless there are opportunities to enhance and develop their operations that they should embrace if they are to maintain their status within the Council, and enhance their conformity to the PSIAS and the LGAN.

During this review, we did not identify any areas of non-compliance with the standards. We have identified one area of partial compliance with the standards, and where the Service generally conforms to the standards, we have identified some minor observations that should be addressed.

**On this basis, it is our opinion that West Lancashire Borough Council's Internal Audit Service GENERALLY CONFORMS to the requirements of the Public Sector Internal Audit Standards and those of the Local Government Application Note.**

An internal audit service's conformance with the PSIAS and the LGAN falls into one of the three categories below. Further details on each of these categories can be found in section nine of this report.

Generally Conforms	Partially Conforms	Does Not Conform
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The minor observations identified during the review are set out in section five of the report, together with some recommendations (R) and suggestions (S) to address these issues. These recommendations and suggestions are included in the action plans at section six of this report.

The process also identified some opportunities (O) for the Service to enhance its operations although these do not have a direct effect on the Service's compliance with the PSIAS or the LGAN. These opportunities have been included for information in section seven of the report.

A list of the individuals interviewed during the review is included as section eight of this report.

The Internal Audit Manager has been provided with details of the areas where there is scope to enhance conformity with the PSIAS and the LGAN, and incorporate further good practice into Internal Audit's operations.

The co-operation of the Internal Audit Service in providing the information requested during this review, as well as those stakeholders that made themselves available for interview, was much appreciated and has made it possible to obtain a thorough view of Internal Audit's business and the contribution it makes to its client's organisational objectives.

## 5. Summary of observations, recommendations and suggestions

Standard	Compliance	Observations	Recommendations & Suggestions	No.
<b>Mission</b>	<b>Generally Conforms</b>	The audit charter includes the mission statement as required by the revised (2017) PSIAS		
<b>Core principles of internal audit</b>	<b>Generally Conforms</b>	<p>Overall, the Internal Audit Service generally conforms to the core principles of internal audit with one minor observation.</p> <p>The Council is going through significant changes in the way it operates, is funded and delivers services to the residents and businesses of West Lancashire. Whilst the Service is already insightful, proactive and future focussed to an extent, and the CEO and the S151 use the Internal Audit Manager as a trusted advisor, the CEO expects the Service to play a major part in helping the Council achieve its objectives.</p> <p>This will inevitably mean a greater emphasis on advisory, VFM and operational efficiency assignments, rather than on some of the more traditional audit reviews, and the Internal Audit Manager will need to consider sharing this work load amongst the team members to cope with the demand for auditors being involved from the outset in change projects.</p> <p>In addition, the Service should consider including specific VFM and/or operational reviews linked to the strategic risks and council objectives in future audit plans, or by expanding the scope of some of the planned</p>	<p>To continue to support the Council achieve its change agenda and reduce its dependency on grant funding that is due to end in the foreseeable future, the Internal Audit Manager should:-</p> <ul style="list-style-type: none"> <li>• consider expanding the scope of specific assurance reviews to increase Internal Audits focus on the wider operational and added value areas for the Council;</li> <li>• include specific assignments in future audit plans that are aimed at enhancing organisational improvements;</li> <li>• ensure that the team have the skills needed to advise and support management, and be able to audit effectively in a more commercially focussed environment;</li> <li>• utilise the knowledge and skills of the team members that have experience of auditing in commercial sectors.</li> </ul>	R1

Standard	Compliance	Observations	Recommendations & Suggestions	No.
		assurance reviews to cover these areas.		
<b>Code of Ethics</b>	<b>Generally Conforms</b>	Overall, the Internal Audit Service generally conforms to the Code of Ethics for Internal Auditors and the <i>Seven Principles of Public Life</i> .		

Standard	Compliance	Observations	Recommendations & Suggestions	No.
<b>Attribute standards</b>				
<b>1000</b> Purpose, authority and responsibility	<b>Generally Conforms</b>	<p>The Internal Audit Service generally conforms standard 1000 and the local government application note (LGAN). There are three minor observation that are set out below.</p> <p>The first minor observation relates to the definition of assurance services. This is set out in the audit charter but is not currently set out in the audit manual. To provide greater clarity for the team, it is suggested the activities that form assurance services are detailed in the audit manual.</p> <p>The second minor observation relates to the Council's counter-fraud policy. At present, this document does not require the Internal Audit Manager to be informed of all suspected frauds committed against the authority, as recommended by the LGAN. This should be added to the policy at its next revision.</p> <p>The third minor observation relates to the role played by the Internal Audit Manager in the review of the remit and effectiveness of the Audit Committee. The CIPFA guidance for Audit Committees suggests using the check-list from the guidance to undertake regular remit and effectiveness reviews of the Audit Committee. This is to ensure that, collectively, the members of the committee have the range of skills needed to be an effective scrutiny function of the Council. However, the Audit and Governance Committee have not</p>	<p>It is suggested that a definition for assurance services and the scope of these services, is added to the audit manual.</p> <p>It is suggested that a requirement for management to inform the Internal Audit manager of all suspected frauds against the Council is added to the Fraud and Corruption Policy at its next revision.</p> <p>It is suggested that the Audit and Governance Committee undertakes an annual review of its remit and effectiveness, using the checklist in the CIPFA Audit Committee guidance, to ensure it continues to be an effective scrutiny function for the Council.</p>	S1  S2  S3



Standard	Compliance	Observations	Recommendations & Suggestions	No.
		<p>undertaken a remit and effectiveness review for some time. Given the changing nature of local government and the demands being placed on councils, it is important to ensure that the Audit and Governance Committee have and maintain the skills necessary to continue to fulfil their role in an effective way</p>		
<p><b>1100</b> Independence and objectivity</p>	<p><b>Generally Conforms</b></p>	<p>The Internal Audit Service generally conforms to standard 1100 and the LGAN. There are two minor observations that are set out below.</p> <p>The first minor observation relates to potential impairments to independence and objectivity. The Internal Audit Service is already following good practice by including statements regarding potential impairments in the audit charter and the declaration of objectivity signed by all members of the Service. The focus of these documents is looking at the year ahead for the Service. The final step in the process is to look back at the year just ended by strengthening the wording of the independence statement in the Internal Audit Manager's annual report and opinion to confirm that there have not been any such impairment. This should be added to the annual report for 2017/18.</p> <p>The second minor observation relates to the statements of independence and objectivity that are signed by all members of the Internal Audit Service. These are accompanied by detailed guidance notes for the staff to use when completing the returns; however these guidance notes could be strengthened by</p>	<p>Consider strengthening the wording of the independence statement in the Internal Audit Manager's annual report and opinion to confirm that there have not been any impairments to the objectivity and independence of the team.</p> <p>At its next revision, enhance the guidance note that underpins the declaration of interest process to include specific reference to internal auditors conforming to the requirements of the PSIAS, Core Principles, Code of Ethics, and the Seven Principles of Public Life.</p>	<p>S4</p> <p>S5</p>

Standard	Compliance	Observations	Recommendations & Suggestions	No.
		including specific reference to internal auditors conforming to the requirements of the PSIAS, Core Principles, Code of Ethics, and the Seven Principles of Public Life.		
<b>1200</b> Proficiency and due professional care	<b>Generally Conforms</b>	<p>The Internal Audit Service generally conforms standard 1200 and the LGAN. There are two minor observations relating to this standard that are set out below.</p> <p>The first relates to Internal Audit’s knowledge of dealing with potential fraud and irregularity. The Service is the primary fraud and investigation function for the Council, and whilst all of the team members are experienced internal auditors, suspected fraud referrals usually fall to the Internal Audit Manager to investigate. Dealing with suspected fraud is not covered in the audit manual, and none of the team hold any fraud investigation qualifications. Consideration should therefore be given to strengthening the audit manual to include a section on dealing with fraud, and supporting one or more of the team to obtain a relevant fraud and investigation qualification.</p> <p>The second minor observation relates to ICT audit. Team members have sufficient knowledge to review high level ICT controls (access controls, back up procedures etc) although they need to ensure that these skills are kept up to date, as this is an area that is constantly changing.</p> <p>However, the Auditors do not have sufficient knowledge to carry out in-depth or technical</p>	<p>It is suggested that sections covering how to deal with suspected fraud and how to undertake ICT audits are added to the audit manual.</p> <p>It is suggested that consideration is given to supporting team members to obtain a suitable fraud and irregularity investigation qualification</p> <p>Consideration should be given to maintaining the ICT audit skills of the Auditors by accessing cost effective training and development opportunities, such as courses run by the North West and Lancashire Audit groups, briefing sessions, and free webinars, etc</p> <p>It is suggested that the Internal Audit Manager continues to work with Lancashire County Council’s Internal Audit Service to find a suitable ICT partner for both organisations.</p>	S6  S7  S8  S9

Standard	Compliance	Observations	Recommendations & Suggestions	No.
		<p>ICT audits. The Council is currently looking for an ICT audit partner, in conjunction with the County Council due to the complex arrangements in place for the outsourced ICT service, to undertake technical ICT audits. .</p>		
<p><b>1300</b> Quality assurance and improvement programme</p>	<p><b>Generally Conforms</b></p>	<p>The Internal Audit Service generally conforms to standard 1300 and the LGAN. There are three minor observations relating to this standard that are set out below.</p> <p>The first relates to reporting the outcome of the self-assessment and QAIP to the Senior Management Team and the audit and Governance committee. To date these have only been reported in summary form, however the Internal Audit Manager recognises that the detailed output from the self-assessment and the QAIP should be reported to them and has included an action on the QAIP action plan for this.</p> <p>The second relates to the use of the term 'conforms to the Public Sector Internal Audit Standards'. At present, this statement is not included in the annual report or the individual audit reports. Once the recommendations and suggestions set out in this report have been implemented, the Internal Audit Manager should consider adding such a statement to these documents.</p> <p>The third minor observation relates to reporting the agreed performance measures for the Service to the Audit and Governance Committee. These are not routinely reported</p>	<p>Implement the action on the QAIP to provide more detail on the self-assessment and the QAIP to senior management and the Audit and Governance Committee.</p> <p>Once the recommendations and suggestions set out in this report have been implemented, the Internal Audit Manager should consider adding the statement 'conforms to the Public Sector Internal Audit Standards' to the annual report and the individual audit reports.</p> <p>Implement the action on the QAIP to provide details of the performance of the Internal Audit service to the Audit and governance committee.</p>	<p>R2</p> <p>S10</p> <p>R3</p>

Standard	Compliance	Observations	Recommendations & Suggestions	No.
		to the committee. The Internal Audit Manager has identified this as an issue and included an action in the QAIP action plan to do this.		
<b>Performance standards</b>				
<b>2000</b> Managing the internal audit activity	<b>Generally Conforms</b>	<p>The Internal Audit Service generally conforms to standard 2000 and the LGAN. There is one minor observation relating to standard 2000 set out below.</p> <p>The minor observation relates to using other sources of assurance to help inform the audit plan and the annual opinion on the Council's controls, risk management and governance arrangements. At the time of this review, the Council has not undertaken an assurance mapping exercise to identify where it gets assurance from, and how much reliance could be placed on the sources of assurance when forming the audit plan and preparing the annual opinion. The Internal Audit Manager is aware that an assurance map may be a useful tool to assist with these processes and has included this on the action plan for the quality assurance and improvement programme.</p>	Consideration should be given to implementing the action on the QAIP action plan to develop an assurance map for the Council.	S11
<b>2100</b> Nature of work	<b>Generally Conforms</b>	<p>The Internal Audit Service generally conforms to standard 2100 and the LGAN with one minor observation.</p> <p>Standard 2110 expects internal audit services to evaluate the design, implementation and effectiveness of council's ethics-related objectives, programmes and activities. At</p>	A specific review of the Council's ethics related objectives, programmes and activities should be added to the annual internal audit plan. Ethics could also be included as an element of some of the audits carried out by the Service.	R4

Standard	Compliance	Observations	Recommendations & Suggestions	No.
		present this area is not covered in the annual audit plan and does not routinely feature as part of the individual audits.		
<b>2200</b> Engagement planning	<b>Generally Conforms</b>	The Internal Audit Service generally conforms to standard 2200 and the LGAN.		
<b>2300</b> Performing the engagement	<b>Generally Conforms</b>	The Internal Audit Service generally conforms to standard 2300 and the LGAN.		
<b>2400</b> Communicating the results	<b>Partially Conforms</b>	<p>The Internal Audit Service partially conforms standard 2300 and the LGAN. There are a number of observations that need to be addressed by the Service.</p> <p>The first observation relates to the individual audit reports. These are well laid out and detail the findings and conclusions from the review, together with an action plan to address any issues that need to be dealt with by management. However, the audit reports do not include an audit opinion on the effectiveness of the controls, governance and risk management processes that have been reviewed during the audits.</p> <p>In addition, the management actions in the audit report action plans are not prioritised according to their risk.</p> <p>The overall approach of the audit reports is one of focussing on the issues identified during the audits. This draws management attention to the issues that need to be addressed, and is</p>	<p>An audit opinion should be added to all audit reports.</p> <p>The recommendations set out in the action plan in the audit reports should be prioritised according to their risk.</p> <p>Consideration should be given to enhancing the acknowledgement of good practice identified during the audits as well as the issues that need to be addressed.</p> <p>Add a statement to the audit reports limiting the distribution and use of the report and its content.</p> <p>Consider including a section in the audit manual on the process for releasing audit reports to external parties.</p> <p>It is suggested that an initial distribution list for the audit reports is added to the audit planning</p>	<p>R5</p> <p>R6</p> <p>S12</p> <p>R7</p> <p>S13</p> <p>S14</p>

Standard	Compliance	Observations	Recommendations & Suggestions	No.
		<p>often the most cost effective approach to use when producing the reports. However, whilst there is some acknowledgement to the good practice identified during the audits, there is scope to enhance this element in some of the audits reports.</p> <p>The next observations relate to the release of audit reports to third parties. The current audit report format does not include a statement limiting the distribution and use of the audit reports and their contents. Such a statement could be added to all audit reports. Guidance on releasing audit reports to external parties is not included in the audit manual. This should be added at the next revision.</p> <p>The final observation relates to the distribution of the audit reports. Whilst this is set out in each audit report, an initial distribution list is not included in the audit planning document (audit brief) that is sent to management at the start of the audit. It is good practice to include this initial distribution list in the audit planning documents.</p> <p>The comments and suggestions in standard 1300 above also apply to this standard.</p>	documents (audit briefs) that are sent to management at the start of each audit.	
<b>2500</b> Monitoring progress	<b>Generally Conforms</b>	The Internal Audit Service generally conforms to standard 2500 and LGAN.		
<b>2600</b> Communicating the acceptance of risks	<b>Generally Conforms</b>	The Internal Audit Service generally conforms to standard 2600 and the LGAN.		

## 6. Action Plan

### Recommendations

No	Recommendation	Response	Responsible Person	Action date
R1	<p>To continue to support the Council achieve its change agenda and reduce its dependency on grant funding that is due to end in the foreseeable future, the Internal Audit Manager should:-</p> <ul style="list-style-type: none"> <li>consider expanding the scope of specific assurance reviews to increase Internal Audits focus on the wider operational and added value areas for the Council;</li> <li>include specific assignments in future audit plans that are aimed at enhancing organisational improvements;</li> <li>ensure that the team have the skills needed to advise and support management, and be able to audit effectively in a more commercially focussed environment;</li> <li>utilise the knowledge and skills of the team members that have experience of auditing in commercial sectors.</li> </ul>	<p>Agreed</p> <ul style="list-style-type: none"> <li>This is always a consideration but focus is shifting further in this direction in the current environment and Senior Managers are now identifying these types of areas for review on a more regular basis.</li> <li>The current (post review) plan includes time for involvement in the Sustainable Organisational Review and an Income Review for example. These types of reviews will continue to be considered for inclusion during the production of future plans</li> <li>Recent appointments have broadened the mix of skills available to the service and it is intended to build on this through regular sharing of knowledge in the team and enhance it through training identified through regular development appraisals.</li> </ul> <p>This is currently being actively promoted as a way to achieve better outcomes / synergy through best</p>	Internal Audit Manager / Corporate Management Team	Ongoing

No	Recommendation	Response	Responsible Person	Action date
		use of the available skills mix.		
R2	Implement the action on the QAIP to provide more detail on the self-assessment and the QAIP to senior management and the Audit and Governance Committee	Agreed	Internal Audit Manager	Include self assessment with report on PSIAS to July 18 Audit and Governance Committee then annually as a separate report
R3	Implement the action on the QAIP to provide details of the performance of the Internal Audit service to the Audit and governance committee.	Agreed Suite of performance measures to be agreed and reported regularly to Borough Treasurer and Audit and Governance Committee.	Borough Treasurer / Internal Audit Manager	From October 2018 Audit and Governance Committee
R4	A specific review of the Council's ethics related objectives, programmes and activities should be added to the annual internal audit plan. Ethics could also be included as an element of some of the audits carried out by the Service.	Agreed Add to 2019/20 annual audit plan. Consider inclusion of ethics element in 2018/19 plan briefs as appropriate	Internal Audit Manager	Audits planned from June 2018 onwards
R5	An audit opinion should be added to all audit reports.	Agreed	Internal Audit Manager / Auditors	To be added to all reports from start of 2018/19 Annual Plan onwards
R6	The recommendations set out in the action plan in the audit reports should be prioritised according to their risk.	Agreed	Internal Audit Manager / Auditors	Recommendations prioritised on all reports from start of 2018/19



No	Recommendation	Response	Responsible Person	Action date
				Annual Plan onwards
R7	Add a statement to the audit reports limiting the distribution and use of the report and its content.	Agreed	Internal Audit Manager / Auditors	To be added to all reports from start of 2018/19 Annual Plan onwards

## Suggestions

No	Suggestion	Response	Responsible Person	Action date
S1	It is suggested that a definition for assurance services and the scope of these services, is added to the audit manual.	Agreed	Internal Audit Manager	By 6th July 2018
S2	It is suggested that a requirement for management to inform the Internal Audit manager of all suspected frauds against the Council is added to the Fraud and Corruption Policy at its next revision	Agreed	Borough Treasurer / Internal Audit Manager	At next revision (Currently in progress)
S3	It is suggested that the Audit and Governance Committee undertakes an annual review of its remit and effectiveness, using the checklist in the CIPFA Audit Committee guidance, to ensure it continues to be an effective scrutiny function for the Council	Agreed	Borough Treasurer / Internal Audit Manager	Review to be incorporated in A&G work programme annually.

No	Suggestion	Response	Responsible Person	Action date
S4	Consider strengthening the wording of the independence statement in the Internal Audit Manager's annual report and opinion to confirm that there have not been any impairments to the objectivity and independence of the team.	Agreed	Internal Audit Manager	2018/19 Annual Report onwards
S5	At its next revision, enhance the guidance note that underpins the declaration of interest process to include specific reference to internal auditors conforming to the requirements of the PSIAS, Core Principles, Code of Ethics, and the Seven Principles of Public Life.	Agreed	Internal Audit Manager	By 6th July 2018
S6	It is suggested that a section covering how to deal with suspected fraud is added to the audit manual.	Agreed	Internal Audit Manager	By 6th July 2018
S7	It is suggested that consideration is given to supporting team members to obtain a suitable fraud and irregularity investigation qualification.	Agreed	Borough Treasurer / Internal Audit Manager	Considered as part of 2018 Development Review and Budget Cycles
S8	Consideration should be given to maintaining the ICT audit skills of the Auditors by accessing cost effective training and development opportunities, such as courses run by the North West and Lancashire Audit groups, briefing sessions, and free webinars, etc.	Agreed	Internal Audit Manager	With immediate effect
S9	It is suggested that the Internal Audit Manager continues to work with Lancashire County Council's Internal Audit Service to find a suitable ICT partner for both organisations.	Agreed	Internal Audit Manager	Procurement now complete.

No	Suggestion	Response	Responsible Person	Action date
S10	Once the recommendations and suggestions set out in this report have been implemented, the Internal Audit Manager should consider adding the statement 'conforms to the Public Sector Internal Audit Standards' to the annual report and the individual audit reports.	Agreed	Internal Audit Manager	Once all recommendations and suggestions implemented.
S11	Consideration should be given to implementing the action on the QAIP action plan to develop an assurance map for the Council.	Agreed	Internal Audit Manager	In advance of 2019/20 planning cycle
S12	Consideration should be given to enhancing the acknowledgement of good practice identified during the audits as well as the issues that need to be addressed	Agreed Report template to be revised and step added to the review process to prompt explicit consideration of areas of good practice identified which could be acknowledged.	Internal Audit Manager	All reports on 2018/19 Annual Plan onwards
S13	Consider including a section in the audit manual on the process for releasing audit reports to external parties.	Agreed	Internal Audit Manager	By 6th July 2018
S14	It is suggested that an initial distribution list for the audit reports is added to the audit planning documents (audit briefs) that are sent to management at the start of each audit.	Officers responsible for the process of clearing reports are identified on each brief and in the vast majority of cases these will be identical to the officers on the distribution list however wording on future briefs will be amended to identify distribution separately.	Internal Audit Manager	Commencing in June 2018

## 7. Opportunities to Enhance Services

Senior Management within the Internal Audit Service at West Lancashire Borough Council are keen to develop the way the Service operates and to enhance the quality and range of services that they provide to their existing and potential clients. With this in mind, the following opportunities have been identified, together with some suggested actions for consideration.

No.	Observation	Suggested Action
O1	<p>Although the auditors have an understanding of the key financial and HR systems used by the Council, and can run reports to extract data from them, the Service does not currently use computer assisted audit techniques (CAATs) to undertake any of its audits. The Internal Audit Manager is familiar with such applications and is an experienced user of the IDEA application.</p> <p>Using CAATs will enable auditors to test all of the transactions within the systems they are auditing, rather than a small sample, thus providing greater assurance on the effectiveness of controls and the quality of the data. Using CAATs also enables auditors to target resources more effectively, as auditing systems by electronic means will free up auditor time to focus on audits that cannot be performed by computer applications.</p> <p>The Service should therefore consider obtaining a suitable CAATs application. There are a number of CAATs applications on the market but given that one of the auditors is familiar with the IDEA application and therefore will have a much shorter learning curve, this is probably the better product. In addition, there is a suite of pre-written test scripts for many of the key financial and HR systems found in most organisations, called SmartAnalyser, which can be used as an add on to the IDEA application.</p>	<p>Internal Audit should consider obtaining the IDEA application, and supplement this with the SmartAnalyser add on application, to enable them to undertake regular audits of the key financial and HR systems of the Council</p>
O2	<p>The Council is going through significant changes in the way it operates, is funded and delivers services to the residents and businesses of West Lancashire. To ensure the Internal</p>	<p>To enhance the overall skills and knowledge for the team members so they can continue to deliver effective audit and consultancy services to the Council as it changes and develops, it</p>

	<p>Audit Service continues to deliver effective audit and consulting services that develop with the Council, it is vital that the individual auditors maintain their skills and knowledge by undertaking relevant and cost effective learning and development.</p> <p>Some of this learning and development should be directed at reinforcing exiting skills, for example general internal audit techniques, but it should also target new areas for the Council, such as auditing in a more commercially focused environment for example.</p> <p>It is appreciated that budgets for training are limited and have to be used appropriately, but effective learning and development can be achieved with minimal expenditure, such as using free Webinars produced by the professional bodies, or attending free briefing sessions, often put on by the regional groups for the professional bodies.</p> <p>If funds are available, the auditors should also consider studying for a formal internal audit qualification, such as the IIA's Certified Internal Auditor (CIA) qualification, as this will strengthen their overall knowledge of internal audit and risk management, and add to the professional image of the Service.</p>	<p>is suggested that the auditors enhance their skills and knowledge by undertaking regular, targeted low cost learning and development that is linked to the Service's learning and development strategy. In particular, this learning and development should focus on equipping the team with the skills necessary to remain effective and adapt with the Council as it develops over the coming years.</p> <p>It is further suggested that the Auditors consider obtaining a formal internal audit qualification, such as the IIA's CIA qualification.</p>
O3	<p>Traditional internal audit services have carried out audits of the key financial systems in the last quarter of the financial year. The logic behind this approach was to ensure that the audits covered as much of the financial year as possible as this would assist the external auditors when they carried out their annual audit of the Councils financial records. At West Lancashire, the Audit Manager consults with the Revenues manager on the most convenient times to undertake the audits of the key financial systems and tries to accommodate this where possible.</p> <p>As the Council's external auditors no longer place significant reliance on the work of internal audit, there is now no logical reason to leave any of these audits to the last quarter of the</p>	<p>Consider moving the audit of all of the key financial systems to quarter three, or even late quarter two, to reduce the pressure on services trying to cope with two sets of auditors often at the same time.</p> <p>Consideration should also be given to reducing the frequency of some of these audits, particularly where the internal control framework is deemed to be sound and the processes are well managed.</p>

	<p>financial year. As such, consideration should be given to moving all of the audits of the key financial systems to earlier in the year, say early quarter three. Consideration should also be given to reducing the frequency of some of these audits, particularly those that have sound internal control frameworks and are well managed</p>	
O4	<p>Internal Audit does not currently use an audit management system to manage the planned audits, time recording, and store the working papers, TORS, reports etc for the assignments.</p> <p>At present, all of the documents used during an audit are stored on the Service's secure shared drive on the Council's computer servers, or in manual files. Whilst this approach works well the Service may wish to consider the use of a specialist audit management system for the future, as this may enable them to enhance their processes and generate operating efficiencies. Some of the products on the market include action tracking modules and can be linked to performance and risk management applications, and are suitable for smaller Internal Audit Services.</p>	<p>The Internal Audit Manager should consider evaluating the audit management systems currently available to see if there is a suitable cost effective application to obtain when funds are available.</p>

## 8. Interviewees

Person	Position	Organisation
Mike Coysh	Internal Audit Manager	West Lancashire Borough Council
Mel Moorey	Auditor	West Lancashire Borough Council
Katherine Westby	Auditor	West Lancashire Borough Council
Jo Guest	Auditor	West Lancashire Borough Council
Marc Taylor	Borough Treasurer –(Section 151 Officer)	West Lancashire Borough Council
Terry Broderick	Borough Solicitor (Monitoring Officer)	West Lancashire Borough Council
Kim Webber	Chief Executive	West Lancashire Borough Council
Chris Twomey	Deputy Director Housing and Inclusion (BTLS Contract Manager)	West Lancashire Borough Council
Jacqui Sinnott-Lacey	Director of Housing and Inclusion	West Lancashire Borough Council
Paul Cotterill	Chair of the Audit and Governance Committee	West Lancashire Borough Council
Georgia Jones	Engagement Manager	Grant Thornton

## 9. Definitions of Conformance with the Standards

<b>Generally Conforms</b>	The internal audit service complies with the standards with only minor deviations. The relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, at least comply with the requirements of the section in all material respects.
<b>Partially Conforms</b>	The internal audit service falls short of achieving some elements of good practice but is aware of the areas for development. These will usually represent significant opportunities for improvement in delivering effective internal audit and conformance to the standards.
<b>Does Not Conform</b>	The internal audit service is not aware of, is not making efforts to comply with, or is failing to achieve many/all of the elements of the standards. These deficiencies will usually have a significant adverse impact on the internal audit service’s effectiveness and its potential to add value to the organisation. These will represent significant opportunities for improvement, potentially including actions by senior management or the board.

Ray Gard, CPFA, FCCA, FCIIA, DMS







## AUDIT AND GOVERNANCE COMMITTEE:

24 July 2018

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**Report of:** Borough Treasurer

**Contact for further information:** Mr M.Coysh (Extn. 2603)  
(E-mail: [mike.coysh@westlancs.gov.uk](mailto:mike.coysh@westlancs.gov.uk))

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**SUBJECT:** INTERNAL AUDIT CHARTER

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Wards affected: Borough wide

### **1.0 PURPOSE OF THE REPORT**

1.1 To consider revisions to the Internal Audit Charter

### **2.0 RECOMMENDATION**

2.1 That the Internal Audit Charter attached at Appendix 1 be approved to take effect immediately.

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### **3.0 BACKGROUND**

3.1 The Public Sector Internal Audit Standards (PSIAS) require the purpose, authority and responsibility of internal audit to be formally defined in an Internal Audit Charter which must be periodically reviewed by the Audit Manager.

3.2 The Terms of Reference of this Committee include approval of the Internal Audit Charter (the Charter). The current version was approved in January 2015.

3.3 The Charter has been revised to take account of current guidance and the draft was presented for review during the external quality assessment of Internal Audit's conformance to the PSIAS and suggestions made were incorporated into the final version.

3.4 As the Charter has undergone a significant revision it is not practical to track the differences between versions in detail. The revised Charter is attached at Appendix 1 and the previous version at Appendix 2 to this report for information.

#### **4.0 The key changes embodied in the new Charter are the inclusion of:**

- the Institute of Internal Auditors' definition of Internal Audit
- the legal framework for internal audit in the public sector
- a mission statement
- explanation of the role and responsibility of management within the Council
- a definition of Internal Audit's purpose
- formal recognition of the requirement for individual Internal Auditors to comply with the code of ethics embodied in the Institute of Internal Auditors International Professional Practices Framework.

#### **5.0 SUSTAINABILITY IMPLICATIONS**

5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

#### **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

6.1 The financial and resource implications arising from activity identified in this report are included in existing budget provisions.

#### **7.0 RISK ASSESSMENT**

7.1 The formal approval and periodic review of the Internal Audit Charter is required by the PSIAS. Approval of the Charter is therefore a key step in ensuring that the Council complies with statutory requirements.

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### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

1. Revised Internal Audit Charter.
2. Previous Internal Audit Charter (approved 2015).

**WEST LANCASHIRE BOROUGH COUNCIL  
INTERNAL AUDIT CHARTER**

**Introduction**

1. This charter sets out the purpose and responsibilities of the Internal Audit Service for West Lancashire Borough Council and has been prepared in accordance with Public Sector Internal Audit Standards and approved by Audit and Governance Committee.
2. The requirement for the internal audit function is set out in legislation under Statutory Instruments; The Accounts and Audit Regulations 2015 **5.**—(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
3. Institute of Internal Auditors (IIA) Standards define Internal Audit as follows 'Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.
4. Internal Audit work will be performed in accordance with the Public Sector Internal Audit Standards 2017 (PSIAS) and the Accounts and Audit Regulations 2015.
5. Our mission is;  
  
"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight."
6. The Chief Executive is West Lancashire Council's most senior manager and has overall responsibility for the risk management, control and governance processes of the Council. The Chief Executive is ultimately responsible for the performance of the Council.
7. Directors and Heads of Service are responsible for ensuring that their Services' internal control arrangements are sufficient to address risks and prevent fraud in relation to the operations they are responsible for, paying due regard to any corporate arrangements in place.
8. The Borough Treasurer (Section 151 officer) has a statutory duty under Section 151 of the Local Government Act (LGA) 1972 to ensure that there is a clear framework for the proper administration of the local authority' affairs. The S151 officer is required to provide assurance for systems of internal control, the risk management and governance processes, and financial management, placing reliance on the work of internal audit to help perform that duty.

9. The Monitoring Officer is responsible for ensuring that the Council acts and operates within the law. They have a duty to report to the whole Council if the Council has broken or may have broken the law. They have a responsibility to undertake regular reviews of the Council's Constitution. The Monitoring Officer supports the Council's Audit and Governance Committee by helping to promote and maintain high standards of conduct by Council members, officers, partners and contractors. Ensuring that a register of interests for elected and co-opted members is maintained and updated.
10. The Audit and Governance Committee (which is the body defined as 'the board' in accordance with the Standards) assists the Chief Executive, Directors and Heads of Service by fulfilling its oversight responsibilities for the financial reporting process, ensuring that there are adequate systems of internal control, monitoring compliance with the constitution and financial regulations and promoting effective governance and risk management. To achieve this, reliance is placed on the work of internal and external audit.
11. The Council's senior Management Team consists of the Chief Executive, Directors, Borough Solicitor and Borough Treasurer and it is this body that fulfils the role of 'Senior Management' in accordance with the Standards.
12. This charter is reviewed periodically by the Audit Manager and approved by Audit and Governance Committee.

### **Purpose**

13. Internal Audit is an independent review function that is led by the Audit Manager. Through its risk based and objective assurance the function provides confidence to officers, service heads, directors and councillors that the authority's operations are properly controlled and have effective risk management processes and procedures in place which add value to the Council's operations.
14. Where areas of weakness are identified Internal Audit will raise the findings with the service and ensure that risks are understood so that appropriate action can be taken to enhance processes, procedures and controls.
15. Internal Audit is not responsible for the control systems it audits, responsibility for effective internal control lies with the Section 151 Officer under the LGA, and, in accordance with the Council Constitution, the Chief Executive, Directors and Heads of Service.

### **Assurance and Consultancy**

16. Internal audit's main objective is to provide assurance to Senior Management and the Audit and Governance Committee on the areas set out in paragraph 19 below. However, where appropriate the team may be asked to undertake

consultancy assignments which assists management in achieving the goals of the Council, the nature and scope of which are agreed with the client, are intended to add value and improve the Council's governance, risk management and control processes.

17. The scope of the consultancy work may include:

- Advisory
- Assistance with assessing the risk and developing the control;
- Training.

Internal audit can give advice and assistance, however they are not responsible for implementing controls and procedures.

### **Scope and Responsibility of Internal Audit**

18. The primary role of Internal Audit is to assess the Council's key risks and evaluate the adequacy and effectiveness of the risk management, governance and internal control frameworks.

19. The main functions of Internal Audit are to review, appraise and report on:

- (a) the adequacy and effectiveness of financial, operational and management system controls and their practical application in relation to the business risks to be addressed;
- (b) the extent of compliance with Policies, standards, plans and procedures established by the Council and with law and regulation, including reporting requirements to regulatory bodies;
- (c) the extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other causes and that adequate business continuity plans exist;
- (d) the suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;
- (e) the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that processes align with the organisation's strategic goals;
- (f) the suitability of the authority's departments for carrying out their functions, and to ensure that services are provided in a way which is economical, efficient and effective;

(g) confirmation that action has been undertaken to remedy weaknesses identified by Internal Audit, ensuring that good practice is communicated widely;

(h) the operation of the authority's corporate governance arrangements.

20. Internal audit also investigate fraud and irregularities in accordance with Council procedures, although responsibility for preventing and detecting fraud lies with the Council's Senior Management Team and Heads of Service.

21. Internal audit must comply with the Code of Ethics for Internal Auditors and have due regard to the Committee on Standards in Public Life's '*Seven Principles of Public Life*'. Internal Audit must also comply with the following Core Principles for Internal Auditors in all aspects of their role:-

- Demonstrates integrity
- Demonstrates competence and due professional care
- Is objective and free from undue influence (independent)
- Aligns with the strategies, objectives and risks of the organisation
- Is positioned appropriately and resourced adequately
- Demonstrates quality and continuous improvement
- Communicates effectively
- Provides risk-based assurance
- Is insightful, proactive, and future-focused
- Promotes organisational improvement

By achieving these principles internal audit will promote improvement throughout the Council, it will add value, and provide assurance on the control and governance processes, highlighting any weaknesses that require attention.

### **Access and Confidentiality**

22. Internal Audit, through the Audit Manager, where he deems necessary, will have unrestricted access to: The Chief Executive, Members, the Chair of the Audit and Governance Committee, individual Directors and Heads of Service, and all Authority employees and contractors. All employees are required to assist the internal audit function in fulfilling its roles and responsibilities.

23. Internal Audit, therefore, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free and unrestricted access to any and all of the authority's records, physical property, assets and personnel relevant to any engagement.

## **Independence and Objectivity**

24. Internal Audit is independent of the activities which it audits to enable it to provide the objective and unbiased judgement essential to the impartial advice and assurance it provides to management.
25. To ensure this independence Internal Audit operates in a framework that allows:
  - segregation from line operations
  - unrestricted access to senior management
  - reporting in its own name
26. The internal audit activity will remain free from interference in matters of audit selection, scope, procedures, frequency, timing or report content.
27. Internal auditors will have no direct operational responsibility or authority over any of the activities which they audit. Accordingly they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair the auditor's judgement.
28. Individual Internal Auditors will not audit any area of previous responsibility for a period of at least 12 months after the responsibility ended.
29. Internal Auditors must exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.

## **Competencies and Standards**

30. The Council has a responsibility to ensure that the audit service is adequately resourced. Whilst the Audit Manager believes he has sufficient resources to deliver the Internal Audit plan, if it is considered that the resource is inadequate, the Audit Manager will report this to the S151 officer, who then has a responsibility to report this to Audit and Governance Committee.
31. Audits must be performed with proficiency and due professional care. The audit team will be appropriately staffed with the skills, knowledge, experience and competencies to fulfil their responsibilities and objectives. If the in-house team do not have the skills to undertake a piece of work, the Audit Manager will obtain appropriately skilled resources from an external provider.
32. Internal auditors are expected to:
  - exercise objectivity, integrity and confidentiality
  - ensure that sufficient evidence is obtained to support audit findings and conclusions

- act in a professional manor

### **Scope and Responsibility of the Audit Manager**

33. The Audit Manager will be required to manage the provision of a complete Internal Audit Service to the Council in addition to the investigation of fraud where required. In discharge of this duty, the Audit Manager will:

- prepare a rolling five-year strategic risk-based audit plan in consultation with Heads of Service. This strategic plan will be regarded as flexible rather than as an immutable expression of audit policy
- translate the strategic plan into annual plans based on the significant foreseeable risks to which the council is exposed for presentation to the Audit and Governance Committee to approve (but not direct)
- if requested to undertake significant additional consultancy work by a service that is not in the plan, approval should be sought by the Audit Manager from Audit and Governance Committee
- ensure a system of close supervision of audit work, and maintain a review of audit files through the overview and review process
- carry out a continuous review of the development and training needs of all audit personnel and arrange, where appropriate, training to maintain a competent audit team
- prepare, for agreement with the Chief Executive and Borough Treasurer, annual reports on audit activity for presentation to the Audit and Governance Committee
- provide an overall audit opinion to Audit and Governance Committee on the effectiveness of the Council's internal control framework, risk management and governance arrangements

34. Internal Audit will liaise with the Council's External Auditors and other external review agencies in order to optimise audit coverage from available resources.

35. Internal Audit may also carry out exercises in conjunction with other bodies such as other Local Authorities, the Police and the HM Revenue and Customs etc.

36. Internal audit may perform consulting and advisory services related to governance, risk management and control as appropriate at the request of management.

37. Based on its activity, Internal Audit is responsible for reporting significant risk exposures and control issues identified to senior management and in summary to Audit and Governance Committee, including fraud risks, governance issues and other matters considered relevant by the Audit Manager.



## **Audit Reporting**

38. Internal audit reports regularly to management on the results of audit work which provides them with regular assessments of the adequacy and effectiveness of their systems of risk management and internal control.
39. All Internal Audit Reports will normally be treated as confidential unless alternative arrangements have been expressly made with the management concerned except as follows: The Audit Manager reserves the right to copy reports to the Chief Executive, the Section 151 Officer, the Monitoring Officer, the Chairman of Audit & Governance Committee, the Authority's External Auditors or other appropriate external agencies as deemed appropriate.
40. Internal audit regularly reports the results of its work to the Audit and Governance Committee which is a subcommittee of the Council in relation to:
  - regular assessments of the adequacy and effectiveness of the Council's systems of risk management and internal control
  - progress against the annual Internal Audit Plan
  - the adequacy of its resources for maintaining adequate audit coverage in accordance with statute
41. The internal audit report may include management's response and corrective action taken or to be taken in regard to specific findings and recommendations. The internal audit function is responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain open until cleared.

## **Quality Assurance and Improvement Programme**

42. The internal audit activity will maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The programme will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards along with an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.
43. The Audit Manager is also responsible for providing a self-assessment on the internal audit activity periodically regarding its consistency with the Audit Charter and performance relative to its annual plan.
44. In addition the Audit Manager will communicate to senior management and Audit and Governance Committee regarding the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments (to be conducted at least every five years).

Signed by:

Audit Manager

Chief Executive

Chairman of the Audit Committee

**WEST LANCASHIRE BOROUGH COUNCIL  
INTERNAL AUDIT CHARTER****INTRODUCTION**

Internal Audit is an independent review function set up within the Council as a service to the Council and all levels of management. The Head of Internal Audit is responsible for the review of all aspects of risk management and control throughout the Council's activities.

It is an independent, objective assurance function 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.

Internal audit are governed by the Public Sector Internal Audit Standards, mandatory guidance which includes the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

The existence of Internal Audit does not diminish the responsibility of management to establish adequate systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner in accordance with the Scheme of Delegation and Financial Regulations.

**INDEPENDENCE AND OBJECTIVITY**

Internal Audit is independent of the activities which it audits to enable it to provide the objective and unbiased judgements essential to the impartial advice and assurance it provides to management.

To ensure this Internal Audit operates in a framework that allows:

- segregation from line operations
- unrestricted access to senior management
- reporting in its own name

The internal audit activity will remain free from interference in matters of audit selection, scope, procedures, frequency, timing or report content.

Internal auditors will have no direct operational responsibility or authority over any of the activities which they audit. Accordingly they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair the auditor's judgement.

Internal Auditors must exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.

## **ROLE AND SCOPE OF INTERNAL AUDIT**

The role of Internal Audit is to assess the Council's key risks and evaluate the adequacy and effectiveness of the system of risk management and internal control.

The main functions of Internal Audit are to review, appraise and report on:

- (a) the adequacy and effectiveness of the systems of financial, operational and management control and their operation in practice in relation to the business risks to be addressed;
- (b) the extent of compliance with, relevance of and financial effect of policies, standards, plans and procedures established by the Council and the extent of compliance with external laws and regulations, including reporting requirements of regulatory bodies;
- (c) the extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause and that adequate business continuity plans exist;
- (d) the suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;
- (e) the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that the process aligns with the organisation's strategic goals;
- (f) the suitability of the organisation of the units audited for carrying out their functions, and to ensure that services are provided in a way which is economical, efficient and effective;
- (g) the follow-up action taken to remedy weaknesses identified by Internal Audit review, ensuring that good practice is identified and communicated widely;
- (h) the operation of the organisation's corporate governance arrangements;

Internal audit also investigate fraud and irregularities in accordance with Council procedures.

Internal Audit, therefore, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free and unrestricted access to any and all of the authority's records, physical property, assets and personnel relevant to any engagement.

Internal Audit, through the Audit Manager, where he deems necessary, will have unrestricted access to: The Managing Directors, Members, individual Chief Officers and all Authority employees and contractors. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities.

## **INTERNAL AUDIT RESPONSIBILITY**

The Audit Manager will be required to manage the provision of a complete Audit Service to the Authority in addition to the investigation of fraud where required. In discharge of this duty, the Audit Manager will:

- prepare a rolling five-year strategic risk-based audit plan in consultation with Heads of Service. This strategic plan will be regarded as flexible rather than as an immutable expression of audit policy
- translate the strategic plan into annual plans based on the significant risks to which the council is foreseeably exposed for presentation to the Audit and Governance Committee for approval
- ensure a system of close supervision of audit work, and maintain a review of audit files through the supervisory structure
- carry out a continuous review of the development and training needs of all Audit Personnel and will arrange, where appropriate, training to maintain a professional audit staff.
- prepare, for agreement with the Managing Directors and Borough Treasurer, annual reports on audit activity for presentation to the Audit and Governance Committee.

Internal Audit will liaise with the Council's External Auditors in order to optimise audit coverage from available resources.

Internal Audit may also carry out exercises in conjunction with other bodies such as other Local Authorities, the Police and the HM Revenue and Customs etc.

Internal audit may perform consulting and advisory services related to governance, risk management and control as appropriate at the request of management.

Based on its activity, Internal Audit is responsible for reporting significant risk exposures and control issues identified to senior management and in summary to Audit and Governance Committee, including fraud risks, governance issues and other matters considered relevant by the Audit Manager.

### **AUDIT REPORTING**

Internal audit reports regularly to management on the results of audit work which provides them with regular assessments of the adequacy and effectiveness of their systems of risk management and internal control.

All Internal Audit Reports will normally be treated as confidential unless alternative arrangements have been expressly made with the management concerned except as follows: The Audit Manager reserves the right to copy reports to the Managing Directors, the Section 151 Officer, the Monitoring Officer, the Chairman of Audit & Governance Committee, the Authority's External Auditors or other appropriate external agencies as he deems appropriate.

Internal audit regularly reports the results of its work to the Audit and Governance Committee which is a subcommittee of the Council in relation to:

regular assessments of the adequacy and effectiveness of the Council's systems of risk management and internal control based on the work of internal audit

progress against the annual Internal Audit Plan

the adequacy of its resources for maintaining adequate audit coverage in accordance with statute.

The internal audit report may include management's response and corrective action taken or to be taken in regard to specific findings and recommendations. The internal audit activity will be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain open until cleared.

#### **QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME.**

The internal audit activity will maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The programme will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the International Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Audit Manager is also responsible for providing a self-assessment on the internal audit activity periodically as regards its consistency with the Audit Charter and performance relative to its plan.

In addition the Audit Manager will communicate to senior management and Audit and Governance Committee on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments (to be conducted at least every five years)

Signed by:

Audit Manager

Joint Directors

Chairman of the Audit Committee

#### **RELATED DOCUMENTS**

This document is one of a series that, together, constitute the policies of the Authority in relation to anti-fraud, bribery and corruption. The other documents include:

Anti-Fraud, Bribery and Corruption Policy

Whistleblowing Code

Anti-Money Laundering Policy

Officers Code of Conduct

Disciplinary Procedures





## Audit & Governance Committee Work Programme – 24 July 2018

Date	Training (commencing 6.00pm)	Items
30 October 2018	The Development Company	<ol style="list-style-type: none"> <li>1. Grant Thornton – Progress Report</li> <li>2. Internal Audit Activities – Quarterly Update</li> <li>3. RIPA Act regular monitoring of use of powers – annual setting of the policy</li> <li>4. Grant Thornton Annual Audit Letter</li> <li>5. Grant Thornton Certification Letter</li> <li>6. Local Code of Governance</li> <li>7. Anti Money Laundering Policy</li> <li>8. Management of Electronic Records</li> </ol>
29 January 2019		<ol style="list-style-type: none"> <li>1. Grant Thornton – Progress Update</li> <li>2. Risk Management Framework</li> <li>3. Internal Audit Activities – Quarterly Update</li> <li>4. Internal Audit Plan 2018/19</li> <li>5. RIPA Act regular monitoring of use of powers</li> </ol>
28 May 2019		<ol style="list-style-type: none"> <li>1. Grant Thornton – Progress Update</li> <li>2. Internal Audit Annual report</li> <li>3. Internal Audit Activities – Quarterly Update</li> <li>4. Annual Governance Statement</li> <li>5. Statement of Accounts</li> <li>6. RIPA Act regular monitoring of use of powers</li> <li>7. Anti-Fraud Bribery and Corruption Activities</li> </ol>
July 2019		<ol style="list-style-type: none"> <li>1. Grant Thornton – Audit Findings Report</li> <li>2. Approval of Statement of Accounts</li> <li>3. Internal Audit Activities – Quarterly Update</li> <li>4. Regulation of Investigatory Powers (RIPA) Act - Annual Setting of the policy and review of use of powers</li> <li>5. External Quality Assessment of Internal Audit's conformance to the Public Sector Internal Audit Standards</li> <li>6. Internal Audit Charter</li> <li>7. Anti-Money Laundering Policy</li> <li>8. Management of Electronic Records</li> </ol>

