



Wrexham Internal Audit Services

Internal Audit Charter 2017-18

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Audit Charter 2017-18**

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1. Introduction

- 1.1. Internal auditing is an independent and objective assurance and consulting activity that adds value by seeking to improve the operations of Wrexham County Borough Council (the Council).
- 1.2. It assists the Council in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the Council's risk management, control, and governance processes.
- 1.3. The Welsh Government adopted the Public Sector Internal Audit Standards (the Standards) from 1 April 2013 and they apply to all internal audit service providers, whether in-house, shared services or outsourced. They govern the framework within which Wrexham Internal Audit Services (WIAS) operates.
- 1.4. The Standards are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). They are aimed at accounting officers, accountable officers, board and audit committee members, heads of internal audit, internal auditors, external auditors, and other stakeholders such as chief financial officers and chief executives.

~~Two significant changes were made to the IPPF in July 2015 which are proposed for inclusion in the Standards with effect from 1 April 2016. These were the inclusion of a mandatory Mission Statement and a mandatory set of Core Principles to demonstrate internal audit effectiveness:~~

- 1.5. The **Mission Statement**, required with effect from 1 April 2016 is: *To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.*
- 1.6. The **Core Principles** that should be present and operating effectively for an internal audit function to be considered effective are that it:
 - a) Demonstrates integrity.
 - b) Demonstrates competence and due professional care.
 - c) Is objective and free from undue influence (independent).
 - d) Aligns with the strategies, objectives, and risks of the organization.
 - e) Is appropriately positioned and adequately resourced.
 - f) Demonstrates quality and continuous improvement.
 - g) Communicates effectively.
 - h) Provides risk-based assurance.
 - i) Is insightful, proactive, and future-focused.
 - j) Promotes organisational improvement.
- 1.7. This Internal Audit Charter (the Charter) has been prepared in accordance with the current version of the Standards.

1.8. The Global Institute of Internal Auditors made amendments to the International Standards with the new and revised Standards coming into effect from 1 January 2017. As a result of these changes the Internal Audit

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Standards Advisory Board (IASAB) has been consulting about the incorporation of those new and revised Standards into the UK Public Sector Internal Audit Standards (PSIAS). The consultation period ended on 31 January 2017 and the IASAB's intention is to issue a revised version of the PSIAS to take effect from 1 April 2017. If the revised version contains any significant changes, these will be brought to the attention of the Audit Committee at the earliest opportunity

- 1.9. The Head of Internal Audit (HoIA) will review the Charter each year and present it to senior management and the Audit Committee for final approval. If any material changes occur during the year that affect the Audit Plan then these will be reported to the Audit Committee and senior management.
- 1.10. The Charter is a formal document which defines WIAS's purpose, authority and responsibility in terms which are consistent with the Mission Statement, the Core Principles of Internal Audit, the Code of Ethics and the Standards.
- 1.11. The Charter establishes WIAS's position within the Council, including the nature of the HoIA's functional reporting relationship with the Audit Committee¹ and Senior Management Team; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
- 1.12. This Charter contains the 2017/18 Internal Audit Plan (the Plan) at Appendix 1. The Plan details the work WIAS will undertake leading to the HoIA's annual opinion as to the adequacy and effectiveness of the Council's control environment. This is defined as being the systems of governance, risk management and internal control including all its operations, resources and services and responsibilities in relation to other bodies.

2. Purpose

- 2.1. WIAS is "an assurance function that provides an independent and objective opinion to the Council on the control environment by evaluating its effectiveness in achieving the Council's objectives."
- 2.2. WIAS fulfils the Council's statutory requirement for internal audit which is set out in the following legislation and good practice:
 - a) The Accounts and Audit Regulations (Wales) 2014 - Regulation 7 places a statutory obligation on the Council to 'maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.' This is enacted under the Council's Constitution - Financial Procedure Rules 4.4 and provides WIAS with the authority to carry out its statutory role.
 - b) The Local Government Act 1972 s.151 requires that one officer is responsible for the proper financial administration of the Council. That officer is the Head of Finance to whom the HoIA reports.

¹ This is defined as the "Board" in the PSIAS

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- c) The Accounts & Audit (Wales) Regulations 2014 – Regulation 7 (3) sets out the requirement to conduct a review of the effectiveness of its internal audit, at least once in each year, the findings of which must be considered by the body or committee as part of the system of internal control. (See paragraph 11.3 below)
- 2.3. The HoIA is responsible for ensuring that WIAS complies with the legislative and good practice requirements which includes:
- a) Developing an annual audit plan (the Plan) based on an understanding of the significant risks to which the Council is exposed.
 - b) Submitting the Plan to the Audit Committee and the Council's Senior Management Team for review and agreement.
 - c) Implementing the Plan and reporting any amendments that may occur.
 - d) Ensuring compliance with the Standards.
 - e) Maintaining a professional internal audit team with sufficient knowledge, skills and experience to carry out the Plan.
 - f) Providing an annual opinion as to the adequacy and effectiveness of the Council's control environment including any issues which should be considered for inclusion in the Council's Annual Governance Statement.

3. Authority

- 3.1. Internal Audit, which is strictly accountable for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the organisation's records, physical properties, and personnel necessary to carry out any engagement. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. Internal Audit will also have free and unrestricted access to the Audit Committee. **This is set out in the Financial Procedure Rules.**

4. Responsibility

- 4.1. The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes in relation to the organisation's defined goals and objectives. Internal control objectives considered by internal audit include:
- a) Consistency of operations or programmes with established objectives and goals and effective performance.
 - b) Effectiveness and efficiency of operations and employment of resources.
 - c) Compliance with significant policies, plans, procedures, laws, and regulations.
 - d) Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information.
 - e) Safeguarding of assets.

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- 4.2. Internal Audit is responsible for evaluating all the Council's processes including governance processes and risk management processes. It also assists the Audit Committee in evaluating the quality of performance of external auditors and promoting good co-ordination between internal and external audit.
- 4.3. Internal Audit may perform consulting and advisory services related to governance, risk management and control as appropriate for the Council and may also evaluate specific operations at the request of the Audit Committee or management, as appropriate.
- 4.4. Internal Audit is responsible for reporting to the Audit Committee and to Senior Management any significant risk exposure and control issues identified in its activity, including fraud risks, governance issues, and other matters requested by the Audit Committee.
- 4.5. Under Financial Procedure Rules, all officers are required to notify the HoIA of all suspected or detected fraud, corruption, **bribery** or impropriety in order to comply with the Council's Counter Fraud Strategy.

5. Professionalism

- 5.1. Internal Audit will govern itself by compliance with The Institute of Internal Auditors' mandatory guidance including the Mission Statement, the Core Principles, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance describes the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of Internal Audit's performance.
- 5.2. WIAS has adopted the ethical culture set out in the Standards². A Code of Ethics is necessary and appropriate for effective internal audit work, based as it is on the trust placed in its objective assurance about risk management, control and governance.
- 5.3. All WIAS staff will make an annual declaration that they agree to conform to the agreed Code of Ethics as follows:

No	Ethic	Principle
1	Integrity	The integrity of internal auditors establishes trust and this provides the basis for relying on their judgement.
2	Objectivity	Internal auditors demonstrate the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements
3	Confidentiality	Internal auditors respect the value and ownership of

² This is based upon the Institute of Internal Auditors Code of Ethics

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		information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
4	Competency	Internal auditors apply the knowledge, skills and experience needed in the performance of internal audit services.

- 5.4. All breaches of the Code of Ethics will be investigated according to the Council's Disciplinary Rules and Procedures and where appropriate, any relevant Institute's disciplinary procedures. The fact that a particular conduct is not mentioned in disciplinary rules does not prevent it from being unacceptable or discreditable.
- 5.5. If WIAS staff are members of another professional body for example the Chartered Institute of Public Finance and Accountancy (CIPFA) or the Chartered Institute of Internal Auditors (CIIA) then they must also comply with the relevant requirements of that organisation. All WIAS staff will have regard to the Committee on Standards of Public Life's Seven Principles of Public Life; information on which can be found at www.public-standards.gov.uk.

Proficiency

- 5.6. All audit engagements will be performed with proficiency and due professional care. All WIAS staff are encouraged through the Performance Review and Development process (PRD) to demonstrate their proficiency by obtaining appropriate professional certification and qualifications, such as **the Certified Internal Auditor** qualification.
- 5.7. The current level of qualifications held by WIAS staff is as follows:

Chartered Institute of Public Finance & Accountancy (Fellow)	1
Chartered Institute of Internal Auditors (CMIIA)	1
Certified Internal Auditor (CIA)	1
Chartered Institute of Internal Auditors (PIIA)	2
Association of Accounting Technicians (AAT)	5
Registered Risk Practitioner (RRP)	1
CIPFA Diploma in Public Audit	1
No Internal Audit qualifications	1

- 5.8. The HoIA is CIPFA qualified and takes part in their Continuing Professional Development scheme. He has 25 years post qualification management experience and twelve years' experience of managing WIAS. This meets the required Standard.
- 5.9. The HoIA will obtain competent advice and assistance if WIAS lack the knowledge, skills, or other competencies needed to perform all or part of an engagement.
- 5.10. Internal auditors have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the Council, but are not expected to have the expertise of a person whose primary responsibility is detecting and

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investigating fraud. One Senior Auditor is responsible for co-ordinating fraud issues under the guidance of one of the Audit Leads with the aim of increasing knowledge and understanding in WIAS.

- 5.11. Internal auditors have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work. WIAS does not have any designated computer auditors but two of the current team did complete the CIIA's Qualification in Computer Auditing before it was discontinued.
- 5.12. The HoIA will decline any consulting engagement or obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of an engagement.

Due Professional Care

- 5.13. Internal auditors will apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.
- 5.14. The IIA's Practice Advisories, Practice Guides, and Position Papers will also be used, as applicable, to guide internal audit work. In addition, Internal Audit will comply with the Council's relevant policies and procedures and the Internal Audit Policy and Procedures Operating Manual.

6. Organisation

- 6.1. The HoIA will report functionally to the Audit Committee and to the Council's Senior Management Team, and operationally to the Head of Finance. This allows both the HoIA and WIAS to fulfil their obligations as described in this Charter.
- 6.2. The Audit Committee will:
- a) Approve the Charter including the Plan and the level of resources available;
 - b) Consider WIAS's performance relative to the Plan and other matters; and
 - c) Make appropriate enquiries of management and the HoIA to determine whether there are inappropriate scope or resource factors that limit WIAS's ability to deliver the Plan.
- 6.3. The HoIA will attend Audit Committee meetings and will contribute to Audit Committee agendas. The HoIA will communicate and interact directly with the Audit Committee, and between Audit Committee meetings with the Chair as appropriate.

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7. Independence and Objectivity

- 7.1. Internal Audit will remain free from interference in the Council, including matters of audit selection, scope, procedures, frequency, timing, or report content to promote an independent and objective approach.
- 7.2. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. They will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement.
- 7.3. Internal auditors will demonstrate a high level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.
- 7.4. All WIAS staff will carry out their work with an impartial, unbiased attitude and avoid any conflict of interest. Each auditor will complete an annual declaration of any potential conflict of interest³ (whether apparent or actual) and this will be managed by the HoIA. The HoIA's declaration will be managed by one of the Audit Leads.
- 7.5. To carry out WIAS's responsibilities effectively, the HoIA has direct and unrestricted access to senior management and the Audit Committee and, if required direct communication with and free and unfettered access to, the Chief Executive and the Chair of the Audit Committee.
- 7.6. The HoIA will have direct interaction with the Audit Committee when presenting Summary Reports, the Annual Report and the Internal Audit Charter. This may also be extended to other matters within the scope of the Audit Committee.
- 7.7. The HoIA will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit activity.

Impairment to Independence or Objectivity

- 7.8. Impairment to organisational independence and individual objectivity may include, but is not limited to, personal conflict of interest, scope limitations, restrictions on access to records, personnel and properties and resource limitations, such as funding.
- 7.9. The HoIA will declare any such impairment where it has a material outcome on WIAS' services or the achievement of the Plan. These will specifically include areas where WIAS staff, including the HoIA, have operational responsibility. It

³ Conflict of interest is a situation in which an internal auditor, who is in a position of trust, has a competing professional or personal interest. Such competing interests can make it difficult to fulfil his or her duties impartially. A conflict of interest exists even if no unethical or improper act results. A conflict of interest can create an appearance of impropriety that can undermine confidence in the internal auditor, the internal audit activity and the profession. A conflict of interest could impair an individual's ability to perform his or her duties and responsibilities objectively

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is for the Audit Committee to approve any mitigating arrangements which may be in place in these areas.

- 7.10. The following are examples of impairments to independence and objectivity which will be managed on an ongoing basis:
- a) Internal auditors will refrain from assessing specific operations for which they were previously responsible. Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous year.
 - b) Assurance engagements for functions where the HoIA or an Audit Lead has operational responsibility will be overseen by the other Audit Lead within WIAS. The HoIA or Audit Lead with operational responsibility will take no part in these audits.
 - c) If internal auditors have potential impairments to independence or objectivity relating to proposed consulting services, disclosure will be made to the client prior to accepting the engagement.
- 7.11. Currently, there is no intention to undertake any unplanned consultancy work in 2017/18. If any is required then the HoIA will report this to the Audit Committee as soon as is practicable once the work has started.

8. Internal Audit Plan

- 8.1. At least annually, the HoIA will submit to the Audit Committee an Internal Audit Plan for review and approval. The Plan will include provisional timings as well as budget and resource requirements for the next financial year.
- 8.2. The HoIA has developed a risk-based Internal Audit Plan (the Plan) for 2017-18 which is included as Appendix 1. This has been done by:
- a) Considering the Council's objectives and priorities within the Council Plan and the risks to achieving them;
 - b) Taking into account the Council's assurance framework, including using risk appetite levels set by management for the different activities of the Council;
 - c) Using the HoIA's own judgement of risks after taking account of the views and expectations of senior management, the Audit Committee and other stakeholders; and
 - d) Undertaking discussions with the Wales Audit Office especially with regard to the testing of the Council's key financial systems.
- 8.3. Appendix 2 lists the other high and medium priority work areas that will be audited if enough resource is available once the critical work identified in Appendix 1 has been completed.
- 8.4. The HoIA has assessed WIAS' available resources and considers that they are appropriate, sufficient and can be effectively deployed to complete the

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critical audits identified in the Plan in order to provide an informed opinion on the adequacy and effectiveness of the control environment. A contingency has been included to allow for unplanned work to be carried out. (Information about resources is included at the end of Appendix 1)

8.5. The cash limited budget for budget Internal Audit for 2017-18 is £221,715.

- 8.6. The HoIA will attempt to accommodate requests for additional, unplanned work but may have to refuse if there is insufficient time available to carry out the work to the required standard. A risk based approach is always used when making this decision, in consultation with the relevant Head of Department.
- 8.7. The HoIA will advise senior management and the Audit Committee of any changes to resources that are likely to affect the completion of the Plan

9. Reporting and Monitoring

- 9.1. A written report will be prepared and issued by, or on behalf of, the HoIA following the completion of each internal audit engagement and will be distributed as appropriate. Each Internal Audit report is confidential and should not be distributed outside the Council by the client without the prior written permission of the HoIA.
- 9.2. Internal audit results will also be communicated to the Audit Committee as part of the periodic Internal Audit Interim Reports. These interim reports will include a "Summary of Findings - Executive Summary" for all reports that have Red or Red Amber assurance levels.
- 9.3. These reports will enable management and the Audit Committee to track progress in respect of those areas where "Red" or "Red Amber" levels of assurance have been given.
- 9.4. Each Head of Department receiving an audit report should return a completed Action Plan to the HoIA within four weeks, showing their response to the individual recommendations.
- 9.5. If the audit report contains a "Red" or "Red Amber" level of assurance, a follow-up audit will then be undertaken to examine whether the High Priority recommendations have been implemented. This follow up audit will usually start about three months after the initial audit report was issued.
- 9.6. Once the follow-up audit has been completed, if the HoIA's opinion is that the audit still has a "Red" or "Red Amber" level of assurance, then the HoIA will draw this matter to the attention of the Chair of the Audit Committee for the Audit Committee to call the Head of Department to account.
- 9.7. Heads of Department, or Officers attending the Audit Committee on their behalf, will be asked to present a short written report setting out why the controls were not effective and what actions are being put in place to address them. These reports should be signed off by the relevant Lead Member.

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- 9.8. Further follow-up audits will be carried out until the issues underlying the Red /Red Amber level of assurance have been addressed.

10. Periodic Assessment

- 10.1. The HoIA will provide periodic self-assessments of internal audit activity against the Plan and the Charter.
- 10.2. These will be in the form of Interim reports and an annual report which will be presented to the Audit Committee and the Council's Senior Management Team during 2017/18. These reports will include:
- a) The number of recommendations made in respect of each completed audit and agreed by the relevant Head of Department.
 - b) The HoIA's opinion of the level of assurance for each completed audit
 - c) A Summary of Findings/Executive Summary for all reports that include a "Red" or "Red Amber" assurance level.
 - d) Details of any follow-up audits including any explanations for non-implementation of "High Priority" recommendations.

Performance Targets

- 10.3. The HoIA recognises the importance of continuous improvement and has set the following performance targets for 2017/18.

No.	Description of Target	Target
1	% of the approved Audit Plan (Appendix 1) achieved	90%
2	% of unplanned audits completed	95%
3	% of audits completed in time allocation	75%

- 10.4. These targets will be used to compare performance against internal audit services in other Welsh councils.
- 10.5. Progress against these targets will be reported in the December 2017 interim report and the HoIA's Annual Report to the Audit Committee and the Senior Management Team.
- 10.6. In addition, the HoIA will communicate to senior management and the Audit Committee on the internal audit quality assurance and improvement programme, including the results of ongoing internal assessments and external assessments.

11. Quality Assurance and Improvement Programme

- 11.1. The internal audit activity maintains a quality assurance and improvement programme that covers all aspects of the internal audit activity. The programme includes an evaluation of the internal audit activity's conformance

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with the **Mission Statement, the Core Principles 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.

- 11.2. The HoIA maintains the quality assurance and improvement programme which includes internal and external assessments.

Internal Assessments

- 11.3. The Accounts and Audit Regulations (Wales) 2014 - Regulation 7 (3) places a statutory obligation on the Council to conduct a review of the effectiveness of its internal audit at least once a year.
- 11.4. WIAS will carry out or arrange for regular internal assessments to be carried out which will include:
- a) Ongoing monitoring of the performance of the internal audit activity; and
 - b) Periodic self-assessments or assessments by other persons within the Council with sufficient knowledge of internal audit practices.
- 11.5. Ongoing monitoring is an integral part of the day-to-day supervision, review and measurement of WIAS's activities. It is incorporated into the routine policies and practices used to manage the service and uses processes, tools and information considered necessary to evaluate compliance with the **Mission Statement, the Core Principles** of Internal Auditing, the Code of Ethics and the Standards.

External Assessments

- 11.6. The Standards require an External Assessment to be conducted at least once every five years by a qualified⁴, independent assessor or assessment team⁵ from outside the Council.
- 11.7. The HoIA will agree the scope of external assessments with the Head of Finance and the Chair of the Audit Committee and the external assessor prior to the start of the assessment.
- 11.8. The Head of Finance and the Chair of the Audit Committee agreed to undergo an external assessment in August 2016 to comply with the Standard's requirement set out in paragraph 11.6 above. This external assessment was carried out by the HoIA of Powys Council as part of an all-Wales peer review arrangement organised through the Welsh Chief Auditors Group⁶. The Audit Committee were advised of the results of this external assessment in December 2016. The Head of Finance introduced the report and informed Members that the assessment had concluded that "the internal audit activity**

⁴ The HoIA will use professional judgement when assessing whether an assessor or assessment team demonstrates sufficient competence to be qualified

⁵ An independent assessor or assessment team means not having either a real or an apparent conflict of interest and not being a part of, or under the control of, the organisation to which the internal audit activity belongs.

⁶ The HoIAs of all Welsh councils

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generally conforms with the Standards and Code of Ethics. We have identified some opportunities for further improvement ... but none of these non-conformances are considered a significant failure to meet with the Standards."

11.9. The Audit Committee Members noted the report and resolved to continue to monitor the implementation of the actions to address the recommendations during future reports in order to ensure that Wrexham Internal Audit Services continues to comply with the PSIAS standards.

Reporting results

- 11.10. The HoIA will communicate to senior management and the Audit Committee on the internal audit activity's quality assurance and improvement programme, including results of ongoing internal assessments and external assessments conducted at least every five years, through the Summary Reports and the HoIA's Annual Report which will include an assessment against Key Performance Indicators, (Section 6) which have been agreed by the Audit Committee.
- 11.11. The HoIA will only state that WIAS conforms with the International Standards for the Professional Practice of Internal Auditing if the results of the Quality Programme support this statement.

Disclosure of Non-conformance

- 11.12. Any known instances of non-conformance with the PSIAS by WIAS will be reported to the Audit Committee. Any significant deviations will be considered for inclusion in the Council's Annual Governance Statement.
- 11.13. All audits will be carried out in accordance with the PSIAS but individual reports will not make specific reference to this fact.
- 11.14. If non-conformance with the PSIAS affects a specific engagement, the final audit report will disclose the:
- a) Principle or rule of conduct of the Code of Ethics or Standard(s) with which full conformance was not achieved;
 - b) Reason(s) for non-conformance; and
 - c) Impact of non-conformance on the engagement and the communicated engagement results.

Internal Audit Plan 2017-18 - Critical Audits

Ref	Planned Audit	Reason	Priority	Timing	Days	Audits	Council Plan
	Adult Social Care						
1	Learning Disability	Deferred from 2016-17	High	P1	10	1	PE 2
2	Reablement	Key Well-being process	High	P3	10	1	PE 3
3	Safeguarding	Corporate Governance	High	P1	10	1	PE 3
4	Supported Living/Recovery Service	Prioritising the most vulnerable	High	P2	12	1	PE 2
	Adult Social Care - Totals				42	4	
	Children's Social Care						
5	Independent Safeguarding and Review	Prioritising the most vulnerable	High	P1	10	1	PE 3
6	Information Governance - Children's	Corporate Governance	High	P2	10	1	O 2
7	North Wales Adoption Service	Lead Authority in the Partnership	High	P2	10	1	PE 3
8	Safeguarding	Corporate Governance	High	P3	10	1	PE 3
	Children's Social Care - Totals				40	4	
	Corporate and Customer Services						
9	Events Management	Transfer of responsibility	High	P1	8	1	PE 5
10	HR - Pre-employment Checks	Safe recruitment	High	P2	12	1	PE 3
11	HR - Employee Code of Conduct	Deferred from 2016-17	High	P1	8	1	O 2
12	ICT Security - Networks (including cyber threat)	Deferred from 2016-17	High	P1	10	1	O 2
13	Information Management - including Data Security	Corporate Governance	High	P2	10	1	O 2
14	Payroll (*)	Key financial system	High	P3	14	1	O 2
	Corporate and Customer Services - Totals				62	6	
	Education						
15 – 18	Cross Cutting audits (for example, Governance)	Strategic themes for managing schools	High	P1-P4	24	4	PE 1
19 - 21	Education Grants	Requirement of the grant funding	High	P2-P3	18	3	PE 1
22	ICT Support for Schools	Deferred from 2016-17	High	P1	10	1	O 1 PE 1
23 – 26	Specific School Audits	Risk based – linked to audits 15 – 18	High	P1-P4	24	4	PE 1
	Education - Totals				76	12	
	Environment & Planning						

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Ref	Planned Audit	Reason	Priority	Timing	Days	Audits	Council Plan
27	Food Safety	Deferred from 2016-17	High	P3	12	1	PE 4
28, 701	Health and Safety	Corporate Governance (plus Follow up)	High	P1	20	2	O 2
29	Highways Maintenance (*)	Key control	High	P3	10	1	PL 4
30	Road Risk Policy	Corporate Governance	High	P2	8	1	PE 4
31	Waste Collection (*)	Key control	High	P2	12	1	PL 2
	Environment & Planning - Totals				62	6	
	Finance						
32	Bank Reconciliation	Key financial system	High	P2	8	1	O 2
33	Consultation & Engagement	Deferred from 2016-17	High	P1	8	1	O 2
34	Contract Management (*)	Key control	High	P3	12	1	O 2
35	Council Tax	Key financial system	High	P3	12	1	O 2
36	Creditors – P2P	Key financial system	High	P4	12	1	O 2
37	Debt Recovery	Key financial system	High	P1	12	1	O 2
38	Income Maximisation Unit	Prioritising the most vulnerable	High	P3	10	1	E 3
39	Partnership Working	Key control for Well-being	High	P4	8	1	PE 4
40	Prevention Relating to Equalities	Deferred from 2016-17	High	P2	14	1	E 3
41	Procurement (*)	Key control	High	P3	10	1	O 1
42	Project Management	Corporate Governance	High	P2	8	1	O 1
43	Public Service Board	Key control for working with partners	High	P2	8	1	PE 4
44	Risk Management (*)	Corporate Governance	High	P3	8	1	O 2
45	Treasury Management	Key financial system	High	P2	8	1	O 2
46	Use of Consultants (*)	Ensure value for money	High	P4	8	1	O 1
	Finance - Totals				146	15	
	Housing & Economy						
47	Carbon Reduction & Energy Efficiency	Key environment control	High	P1	12	1	PL 2
48	Housing Rents - Collection, Arrears and Enforcement	Key financial system	High	P3	14	1	O 2
49	Housing Repairs	Key control for service delivery	High	P1	10	1	PL 1

Internal Audit Plan 2017-18 - Critical Audits

Ref	Planned Audit	Reason	Priority	Timing	Days	Audits	Council Plan
50	Sheltered Housing	Prioritising the most vulnerable	High	P2	10	1	PE 2
51	Supporting People and Homelessness	Prioritising the most vulnerable	High	P4	10	1	E 3
	Housing & Economy - Totals				56	5	
	Strategic Leadership Team						
52	Reshaping Services	Corporate Governance	High	P3	12	1	O 1
53	Prison Pathways Project	Deferred from 2016-17	High	P1	10	1	
	Strategic Leadership Team - Totals				22	2	
	Counter Fraud Activities						
54	National Fraud Initiative	Key control for tackling fraud	High	P4	40	1	O 2
55	Other Counter Fraud work	Key control for tackling fraud	High	P4	20	1	O 2
	Counter Fraud - Totals				60	2	
	Overall Totals – (see E below)				566	56	
	INTERNAL AUDIT RESOURCES						
A	Total Working Days	6.55 Full time equivalent posts			1703		
B	Absences	Leave, Maternity and other absences			470		
C	Management Time and Training				108		
D	Available Days				1125		
E	Time available for Critical audit work in Appendix 1				566		
F	Time available for other High Priority audits in Appendix 2				74		
G	Prevention/Advice / Guidance				160		
H	Contingencies for unplanned work	Follow up audits and investigation work			325		
I	Total Audit days Included In Plan				1125		I = D
J	Excluding maternity, % of time spent on direct audit work				74.3%		

Audits marked with a (*) indicate areas where the Service Manager – Audit & Technical has a conflict of interest.

Internal Audit Plan 2017-18 – Reserve List

Ref	Work Area to Include	Identified by	Comments	Priority 2017-18	Department
56	Direct Payments	Departmental Risk & Control Registers	Supports the preparations for the Wellbeing legislation	High	Adult Social Care
57	WCCIS Computer System - Replacing RAISe	Departmental Risk & Control Registers	Key Council ICT system migrating in 2017-18 for coverage in late 2017-18 if possible	High	Children's Social Care
58	Acceptable Use of ICT Facilities	Assurance Gap	Will be covered in 2017-18 if resources allow	High	Corporate and Customer Services
59	Communication Strategy	Departmental Risk & Control Registers	Supports the Council Plan and will be covered in 2017-18 if resources allow	High	Corporate & Customer Service
60	Customer Service - including Complaints and Contact Centre	Departmental Risk & Control Registers	Will be covered in 2017-18 if resources allow	High	Corporate & Customer Service
61	Reprographics	HoD request	Will be covered in 2017-18 if resources allow	High	Corporate & Customer Service
62	Strategic Failure to invest in ICT	Departmental Risk & Control Registers	Will be covered in 2017-18 if resources allow	High	Corporate and Customer Services
63	Telephony	Departmental Risk & Control Registers	Will be covered in 2017-18 if resources allow – focusing on mobile telephony	High	Corporate & Customer Service
64	Emergency Management Framework	Departmental Risk & Control Registers	Not examined recently - may be covered in 2017-18 if resources allow	High	Environment and Planning
65	Community Safety	Departmental Risk & Control Registers	Will be covered in a Community Safety audit in 2017-18 if resources allow	High	Finance
66	Insurance (*)	Assurance Gap	Include at year end if resources allow	High	Finance
67	Community Centres	HoD request	Follow on from audit currently in progress in 2016-17	High	Housing & Economy
68	Oriel Wrexham	Internal Audit assessment	Include at year end if resources allow	High	Housing & Economy
69	HR – Workforce development – to be determined	Departmental Risk & Control Registers	Specific work areas may be covered in 2017-18 if resources allow	To be confirmed	Corporate and Customer Services
70 & 71	Education - unallocated (x2)	HoD request	Awaiting the arrival of the new Head of Department	To be confirmed	Education
72	Car Parking Income & Expenditure	Deferred audit	Audit deferred from 2016-17 may be covered in	Medium	Environment &

Internal Audit Plan 2017-18 – Reserve List

Ref	Work Area to Include	Identified by	Comments	Priority 2017-18	Department
			2017-18 if resources allow		Planning
73	Service Continuity	Assurance Gap	Include at year end if resources allow	Medium	Environment & Planning
74	Scrutiny	Departmental Risk & Control Registers	Include at year end if resources allow	Medium	Finance
75	Economic Prosperity Strategy	Assurance Gap	Strategy may not be ready until the end of 2017-18 so may leave until 2018-19	Medium	Housing & Economy
76	Statutory Building Maintenance	Assurance Gap	Audited in 2015-16 - Subject to external review in 2017-18, maybe n Period 4 if resources allow	Medium	Housing & Economy

List of Abbreviations

HoD	Head of Department	ICT	Information & Communication Technology
WAO	Wales Audit Office	WCCIS	The name of the computer system replacing RAISe

Levels of Assurance 2017-18

Level	Red	Red Amber	Green Amber	Green
	<p>ASSURANCE</p>  <p>RED</p>	<p>ASSURANCE</p>  <p>RED AMBER</p>	<p>ASSURANCE</p>  <p>GREEN AMBER</p>	<p>ASSURANCE</p>  <p>GREEN</p>
Adequacy of Controls	Controls are considered to be insufficient with the absence of at least one critical control mechanism. There is also a need to improve compliance with existing controls and errors as omissions have been detected.	Controls are in place and to varying degrees are complied with but there are gaps in the process which leave the service exposed to risks.	Controls exist to enable the achievement of service objectives and to mitigate against significant foreseeable risks. However, occasional instances of failure to comply with the control process were identified.	Controls are in place to ensure the achievement of service objectives and to protect the Authority against significant foreseeable risks. No significant or material errors were found
Risks	Failure to improve controls leaves the Authority exposed to significant risk, which could lead to major financial loss, reputational risk of embarrassment or failure to achieve key service objectives.	There is a need to introduce additional controls and / or improve compliance with existing ones, to reduce the risk exposure to the Authority.	Some opportunities still exist to mitigate further against potential risks.	None
Guide	Majority of actions required are high priority or mixture of high and medium priority.	Majority of actions required are medium priority but there is one High Priority action. The exception is if the High Priority is a major risk to the Council in which case it will be a Red Assurance.	No high priority actions required. Majority of actions are medium priority. If there are more than eight medium priority recommendations then this may move to Red Amber.	No high or medium priority actions required.
Audit Follow-up Work	Initial Audit Follow-up audit after 3 months - re-audit of controls	Initial Audit Follow-up audit after 3 months - Self Assessment with sample checking for compliance	Initial Audit only No follow-up audit	Initial Audit only No follow-up audit