DELIVERING EFFECTIVE INTERNAL AUDITS IN SOMERSET

Background

A common problem across SWAP has been that of delays in progressing audits. In response to this a SWAP paper has been produced entitled delivering effective internal audits which details roles and obligations of SWAP and Partner Organisations in relation to progressing internal audit work.

In Somerset we have agreed further detail of how we can better deliver audits using the overall SWAP guidance as a framework.

We still aim to be flexible but the purpose of this framework is to help ensure that this is not at the expense of delivery of the audit plan.

Agreement of the Internal Audit Plan

The forward plan will be an agenda item at a Commissioning Board meeting during January/February to provide an opportunity for Senior Leaders to consider areas of significant risk for inclusion in the following years internal audit plan. An outline scope will be required together with the identification of key managers that will need to be involved in the audit. The Commissioning Board will approve the Internal Audit Plan.

On agreement of the plan a copy will be sent to each member of the SLT and the Strategic/Service managers that have been identified as contacts (the agreed management contacts). The plan will include the outline scope and quarter agreed for delivery.

Quarterly Planning

In the month before the quarter starts an email will be sent to the agreed management contacts to remind them that the audit is planned for the following quarter and the outline scope will be provided to help with this. They will be prompted to inform audit of significant changes to the service that could potentially effect the scope of the review.

Terms of Reference

The initial meeting is an opportunity to remind staff of their responsibilities under financial regulations. A reference to this will also be included in the Terms of Reference.

There is assumed agreement to the Terms of Reference. The email that accompanies the ToR will state that unless managers inform us otherwise that agreement is assumed after five working days have passed.

The terms of reference will detail the following:

- Key contacts
- Data needed for testing
- Basis of sampling

- Timeframe agreed for testing

Testing

At the initial meeting the timeframe for testing will be agreed. Availability of contacts for testing will be also be determined at the initial meeting and where possible block booking of testing will be performed.

Direct access to systems and files will be sought where possible to minimise SCC staff time needed.

Escalation Procedures

1. The expectation is that a meeting will be arranged with one month of the request. Where this is difficult SCC staff will be expected to rearrange calendars to allow this to happen. If this is not possible this will be escalated to the Strategic Finance Manager – Governance.

2. The following has been agreed and applies to any request for information or response needed to a report:

Day 1 Request made by auditor with a response time of five days stated in the email (or agreed reporting timeframe if different).

Day 5 Follow-up request made by auditor

Day 10 Follow-up request made by Assistant Director

Day 15 Follow-up request made by the Strategic Finance Manager - Governance copied to their line manager.

3. If a meeting is cancelled by SCC it should be rearranged within two weeks of the original date. If it is cancelled a second time it will be escalated to the Strategic Finance Manager – Governance.

Escalation to the Strategic Finance Manager – Governance will be via the Assistant Director.

Action relating to Delays

Where delays mean that the original audit scope cannot be delivered either additional days will be agreed or the scope reduced. All scope reductions will be referred to in the report.

Where delays experienced mean that the audit can no longer be delivered within the financial year the audit will be removed from the plan and a replacement agreed. Where the delay means that the overall audit plan cannot be delivered within a reasonable timeframe then ultimately the audit time may be lost without replacement.

Performance Monitoring

The Assistant Director will maintain the following information:

- A list of changes to the audit plan requested by SCC
- An estimate of time lost for audits that were subsequently removed from the plan
- The overspend of audits where it was necessary to chase repeatedly for information
- A list of issues referred to the Strategic Finance Manager – Governance for escalation.

These will be discussed periodically at the regular meeting held between the Assistant Director and Strategic Finance Manager – Governance.

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