



Kent County Council

Internal Audit Plan

July 2023 – May 2024

Governance and Audit Committee
6 July 2023

2023/24 AUDIT RESOURCES

CLIENTS	DAYS
Commercial Services Group, KFRS & TMBC	641
Central Government Grants	50
Interreg Grants	30
KCC	1200
Parish Councils	50
TOTAL	1971

Section Navigation

Resources & Plan
Summary

Cross Directorate

Adult Social Care &
Health

Chief Executive
Department (CED)

Childrens, Young
People & Education
(CYPE)

Deputy Chief Executive
Department (DCED)

Growth, Environment
& Transport (GET)

Appendix B - Priority 1
Audits

Appendix C - Priority 2
Audits

Appendix D -
Reasonable Assurance
Model

Appendix E - Audits
against Corporate
Risks

Appendix F - Audit
Charter

Appendix G - Key
Performance
Indicators

2023/24 AUDIT PLAN SUMMARY

DIRECTORATES							
PRIORITIES	CROSS DIRECTORATE	ASCH	CED	CYPE	DCED	GET	TOTALS
PRIORITY 1	6	7	9	4	6	7	39
PRIORITY 2	0	6	10	3	11	4	34
TOTALS	6	13	19	7	17	11	73

Section Navigation

Resources & Plan Summary

Cross Directorate

Adult Social Care & Health

Chief Executive Department (CED)

Childrens, Young People & Education (CYPE)

Deputy Chief Executive Department (DCED)

Growth, Environment & Transport (GET)

Appendix B - Priority 1 Audits

Appendix C - Priority 2 Audits

Appendix D - Reasonable Assurance Model

Appendix E - Audits against Corporate Risks

Appendix F - Audit Charter

Appendix G - Key Performance Indicators

2. Risk Based Audits

2.1 Cross Directorate

Audit Title	Nature of Work	Scope
Gifts & Hospitality	Assurance	Priority 1
Enterprise Business Capabilities (Oracle)	Consultancy	Priority 1
Annual Governance Statement	Assurance	Priority 1
Project Management	Assurance	Priority 1
Contract Management	Assurance	Priority 1
Home to School Transport Follow Up	Assurance	Priority 1

Section Navigation
Resources & Plan Summary
Cross Directorate
Adult Social Care & Health
Chief Executive Department (CED)
Childrens, Young People & Education (CYPE)
Deputy Chief Executive Department (DCED)
Growth, Environment & Transport (GET)
Appendix B - Priority 1 Audits
Appendix C - Priority 2 Audits
Appendix D - Reasonable Assurance Model
Appendix E - Audits against Corporate Risks
Appendix F - Audit Charter
Appendix G - Key Performance Indicators

2. Risk Based Audits		
2.2 Adult Social Care & Health (ASCH)		
Audit Title	Nature of Work	Priority
Usage of Factoring Companies	Assurance	Priority 1
Joint Funding & Governance (NHS) NHS Joint Working & Pooled Budgets	Assurance	Priority 1
Safeguarding (ASCH)	Assurance	Priority 1
Public Health Assurance Mapping	Assurance	Priority 1
Individual Contracts to Care Providers Follow Up	Assurance	Priority 1
Direct Payments / Abuse of Kent Cards	Assurance	Priority 1
Hospital Discharge	Assurance	Priority 1
Payment to Providers	Assurance	Priority 2
Section 117 Aftercare Payments	Assurance	Priority 2
Shared Lives	Assurance	Priority 2
ASCH Programme Management / Commissioning	Assurance	Priority 2
Public Health External Funding Review (Assurance Mapping)	Assurance	Priority 2
Health Visitor Service (Backlog) Performance and Recruitment & Retention of Staff	Assurance	Priority 2

Section Navigation

Resources & Plan Summary

Cross Directorate

Adult Social Care & Health

Chief Executive Department (CED)

Childrens, Young People & Education (CYPE)

Deputy Chief Executive Department (DCED)

Growth, Environment & Transport (GET)

Appendix B - Priority 1 Audits

Appendix C - Priority 2 Audits

Appendix D - Reasonable Assurance Model

Appendix E - Audits against Corporate Risks

Appendix F - Audit Charter

Appendix G - Key Performance Indicators

2. Risk Based Audits

2.3 Chief Executive Department (CED)

Priority 1		Priority 2	
Business Planning Process	Assurance	Performance Management (Corporate Health)	Assurance
Domestic Abuse	Assurance	Commissioning Restructure	Assurance
Homes for Ukraine	Assurance	Budget Savings Follow Up	Assurance
Freedom of Information	Assurance	Key Decisions	Assurance
Strategic Reset Programme (Governance)	Assurance	Data Security and Protection Toolkit (DSPT)	Assurance
Loan Approval to Schools	Assurance	Risk Management	Assurance
Schools Financial Services	Assurance	Data Protection Impact Assessments (DPIA)	Assurance
UK Resettlement Scheme	Assurance	Sundry Debt	Assurance
Assurance Mapping – Financial Sustainability	Assurance	Compliance with the Council’s Constitution – Procurement	Assurance
		Establishment Review (TBC)	Assurance

Section Navigation

Resources & Plan Summary

Cross Directorate

Adult Social Care & Health

Chief Executive Department (CED)

Childrens, Young People & Education (CYPE)

Deputy Chief Executive Department (DCED)

Growth, Environment & Transport (GET)

Appendix B - Priority 1 Audits

Appendix C - Priority 2 Audits

Appendix D - Reasonable Assurance Model

Appendix E - Audits against Corporate Risks

Appendix F - Audit Charter

Appendix G - Key Performance Indicators

2. Risk Based Audits

2.4 Children, Young People & Education (CYPE)

Audit Title	Nature of Work	Priority
SEND Accelerated Progress Plan	Consultancy	Priority 1
School Themed Review – Safeguarding	Assurance	Priority 1
National Children’s Care Review	Consultancy	Priority 1
SEND Safety Valve Programme	Consultancy	Priority 1
CYPE Payment Portals	Assurance	Priority 2
SEND Complaints	Consultancy	Priority 2
Capital Programme (Schools)	Assurance	Priority 2

Section Navigation

Resources & Plan Summary

Cross Directorate

Adult Social Care & Health

Chief Executive Department (CED)

Childrens, Young People & Education (CYPE)

Deputy Chief Executive Department (DCED)

Growth, Environment & Transport (GET)

Appendix B - Priority 1 Audits

Appendix C - Priority 2 Audits

Appendix D - Reasonable Assurance Model

Appendix E - Audits against Corporate Risks

Appendix F - Audit Charter

Appendix G - Key Performance Indicators

2. Risk Based Audits		
2.5 Deputy Chief Executive Department (DCED)		
Audit Title	Nature of Work	Priority
Joiners, Movers & Leavers (IT)	Assurance	Priority 1
Business Continuity Planning	Assurance	Priority 1
Complaints	Assurance	Priority 1
Cyber Security	Assurance	Priority 1
Artificial Intelligence	Assurance	Priority 1
Single Data Platform	Assurance	Priority 1
Use of Agency Staff	Assurance	Priority 2
New Facilities Management Contracts	Assurance	Priority 2
Recruitment	Assurance	Priority 2
Managers – People Management Responsibilities	Assurance	Priority 2
Disciplinaries	Assurance	Priority 2
Payroll	Assurance	Priority 2
Health and Safety Themed Review	Assurance	Priority 2
PFI Contracts – Preparedness	Assurance	Priority 2
Technology Board Governance	Assurance	Priority 2
IT Project Management	Assurance	Priority 2
Applications	Assurance	Priority 2

Section Navigation
Resources & Plan Summary
Cross Directorate
Adult Social Care & Health
Chief Executive Department (CED)
Childrens, Young People & Education (CYPE)
Deputy Chief Executive Department (DCED)
Growth, Environment & Transport (GET)
Appendix B - Priority 1 Audits
Appendix C - Priority 2 Audits
Appendix D - Reasonable Assurance Model
Appendix E - Audits against Corporate Risks
Appendix F - Audit Charter
Appendix G - Key Performance Indicators

2. Risk Based Audits		
2.6 Growth, Environment & Transport		
Audit Title	Nature of Work	Priority
Local Transport Bus Market BSIP & Suitability of Public Transport	Assurance	Priority 1
Asset Management Approach & Risk Prioritisation	Assurance	Priority 1
Climate Adaptation (+ Net Zero Follow Up)	Assurance	Priority 1
Highways Transport Maintenance Contracts	Assurance	Priority 1
Highways & Transport Communication	Assurance	Priority 1
Highways & Transport – Sevington Inland Border Post	Assurance	Priority 1
Gypsy Traveller Service	Assurance	Priority 1
Waste Circular Economy	Assurance	Priority 2
Talent Management & Identification	Assurance	Priority 2
Library Review	Assurance	Priority 2
Coroners	Assurance	Priority 2

Section Navigation
Resources & Plan Summary
Cross Directorate
Adult Social Care & Health
Chief Executive Department (CED)
Childrens, Young People & Education (CYPE)
Deputy Chief Executive Department (DCED)
Growth, Environment & Transport (GET)
Appendix B - Priority 1 Audits
Appendix C - Priority 2 Audits
Appendix D - Reasonable Assurance Model
Appendix E - Audits against Corporate Risks
Appendix F - Audit Charter
Appendix G - Key Performance Indicators

Priority 1 Audits (39)	
Adult Social Care & Health (ASCH) (7)	Chief Executive Department (CED) (9)
<ul style="list-style-type: none"> Use of Factoring Companies Joint Funding & Governance (NHS) Safeguarding (ASCH) Public Health Assurance Mapping Individual Contracts to Care Providers Follow Up Direct Payments Hospital Discharge 	<ul style="list-style-type: none"> Business Planning Process Domestic Abuse Homes for Ukraine Freedom of Information Strategic Reset Programme (Governance) Loan Approval to Schools Schools Financial Services UK Resettlement Scheme Financial Sustainability – Assurance Mapping
Children, Young People & Education (CYPE) (4)	Deputy Chief Executive Department (DCED) (6)
<ul style="list-style-type: none"> SEND Accelerated Progress Plan School Themed Review – Safeguarding National Children’s Care Review SEND Safety Valve Programme 	<ul style="list-style-type: none"> Joiners, Movers & Leavers (IT) Business Continuity Planning Complaints Cyber Security Artificial Intelligence Single Data Platform
Growth, Environment & Transport (GET) (7)	Cross Directorate (6)
<ul style="list-style-type: none"> Local Transport Bus Market BSIP Asset Management Approach and Risk Prioritisation Climate Adaptation (+Net Zero Follow Up) Highways Transport Maintenance Contracts Highways & Transport Communication Highways & Transport – Sevington Inland Border Post Gypsy Traveller Service 	<ul style="list-style-type: none"> Gifts and Hospitality Enterprise Business Capabilities (Oracle) Annual Governance Statement Project Management Contract Management SEND Home to School Transport Follow Up

Section Navigation
Resources & Plan Summary
Cross Directorate
Adult Social Care & Health
Chief Executive Department (CED)
Childrens, Young People & Education (CYPE)
Deputy Chief Executive Department (DCED)
Growth, Environment & Transport (GET)
Appendix B - Priority 1 Audits
Appendix C - Priority 2 Audits
Appendix D - Reasonable Assurance Model
Appendix E - Audits against Corporate Risks
Appendix F - Audit Charter
Appendix G - Key Performance Indicators

Priority 2 Audits (34)	
Adult Social Care & Health (ASCH) (6)	Chief Executive Department (CED) (10)
Payment to Providers Section 117 Aftercare Payments Shared Lives ASCH Programme Management / Commissioning Public Health External Funding Review Health Visitor Service (Backlog) Performance and Recruitment & Retention of Staff	Performance Management (Corporate Health) Commissioning Restructure Budget Savings Follow Up Key Decisions Data Security and Protection Toolkit (DSPT) Risk Management Data Protection Impact Assessments (DPIA) Sundry Debt Compliance with the Council's Constitution – Procurement Establishment Review
Children, Young People & Education (CYPE) (3)	Deputy Chief Executive Department (DCED) (11)
CYPE Payment Portals SEND Complaints Capital Programme (Schools)	Use of Agency Staff New Facilities Management Contracts Recruitment Managers – People Management Responsibilities Disciplinarys Payroll Health and Safety Themed Review PFI Contracts – Preparedness Technology Board Governance IT Project Management Applications
Growth, Environment & Transport (GET) (4)	
Waste Circular Economy Talent Management & Identification Library Review Coroners	

Section Navigation
Resources & Plan Summary
Cross Directorate
Adult Social Care & Health
Chief Executive Department (CED)
Childrens, Young People & Education (CYPE)
Deputy Chief Executive Department (DCED)
Growth, Environment & Transport (GET)
Appendix B - Priority 1 Audits
Appendix C - Priority 2 Audits
Appendix D - Reasonable Assurance Model
Appendix E - Audits against Corporate Risks
Appendix F - Audit Charter
Appendix G - Key Performance Indicators

Audit Plan mapped to Reasonable Assurance – 8 Themes of Corporate Health

Corporate Governance (8)

- Annual Governance Statement
- Joint Funding & Governance (NHS)
- Project Management
- Business Planning Process
- Strategic Reset Programme (Governance)
- Performance Management
- Key Decisions
- Highways Transport Maintenance Contract
- Library Review

Risk Management (19)

- Safeguarding (ASCH)
- Hospital Discharge
- Shared Lives
- Public Health Assurance Mapping
- Domestic Abuse
- Home for Ukraine's
- Gifts & Hospitality
- UK Resettlement Scheme
- Risk Management
- Coroners
- SEND Accelerated Progress Plan
- SEND Complaints
- School Themed Review (Safeguarding)
- National Children's Care Review
- SEND Safety Valve Programme
- Disciplinarys
- Health & Safety Themed Review
- Business Continuity Planning
- Complaints

Financial Control / VFM (11)

- Use of Factoring Companies
- Public Health External Funding Review
- Loan Approvals to Schools
- Schools Financial Services
- Financial Sustainability Assurance Mapping
- Establishment Review (TBC)
- Budget Savings Follow Up
- Sundry Debt
- CYPE Payment Portals
- Capital Programme (Schools)
- Payroll

Commissioning, Procurement & Partnerships (9)

- Payment to Providers (ASCH)
- Section 117 Aftercare Payments
- Health Visitor Service (Backlog)
- Individual Contracts to Care Providers Follow Up
- Contract Management
- Compliance with the Council's Constitution (Procurement)
- New Facilities Management Contracts
- PFI Contracts - Preparedness
- Highways & Transport Communication

Change Management and Programmes/ Projects (6)

- ASCH Programme Management / Commissioning
- Enterprise Business Capabilities (Oracle)
- Local Transport Bus Market BSIP & Suitability of Public Transport
- Waste & Circular Economy
- Climate Adaptation (+ Net Zero Follow Up)
- Highways & Transport – Sevington Inland Border Post

Asset Management (6)

- Commissioning Restructure
- Use of Agency Staff
- Recruitment
- Managers – People Management Responsibilities
- Asset Management Approach and Risk Prioritisation (GET)
- Talent Management & Identification (GET)

Information Technology & Information Security (11)

- Artificial Intelligence
- Freedom of Information
- Data Security and Protection Toolkit
- Data Protection Impact Assessment
- Technology Board Governance
- IT Project Governance
- Applications
- Cyber Security
- Single Data Platform
- Joiners, Movers & Leavers (IT)

Counter Fraud (3)

- Direct Payments
- Individual Contracts to Care Providers Follow Up
- Payroll

Section Navigation

Resources & Plan Summary

Cross Directorate

Adult Social Care & Health

Chief Executive Department (CED)

Childrens, Young People & Education (CYPE)

Deputy Chief Executive Department (DCED)

Growth, Environment & Transport (GET)

Appendix B - Priority 1 Audits

Appendix C - Priority 2 Audits

Appendix D - Reasonable Assurance Model

Appendix E - Audits against Corporate Risks

Appendix F - Audit Charter

Appendix G - Key Performance Indicators

Audit Plan Mapped Against Corporate Risk Register		Section Navigation
Risk	Audits	
CRR0001 – Safeguarding (Children)	Health Visitor Service (Backlog) Performance and Staffing School Themed Review - Safeguarding	Resources & Plan Summary
CRR0002 – Safeguarding (Adults)	Safeguarding (ASCH) Domestic Abuse Homes for Ukraine	Cross Directorate
CRR0003 – Securing resources to aid economic growth & enabling infrastructure	Local Transport Bus Market BSIP & Suitability of Public Transport Waste Circular Economy	Adult Social Care & Health
CRR0004 – Simultaneous Emergency Response, Recovery and Resilience	Business Continuity Planning	Chief Executive Department (CED)
CRR0009 – Future financial and operating environment	Business Planning Process Strategic Reset Programme (Governance) Financial Sustainability Assurance Mapping Schools Financial Services	Childrens, Young People & Education (CYPE)
CRR0014 – Cyber & Information Security Resilience	Cyber Security Artificial Intelligence Single Data Platform Technology Board Governance IT Project Management Applications	Deputy Chief Executive Department (DCED)
CRR0015 – Managing and working with the social care market	Joint Funding & Governance (NHS) Individual Contracts to Care Providers Direct Payments Section 117 Aftercare Payments Shared Lives	Growth, Environment & Transport (GET)
CRR0039 – Information Governance	Freedom of Information Data Security and Protection Toolkit (DSPT) Data Protection Impact Assessment Joiners, Movers and Leavers (IT)	Appendix B - Priority 1 Audits
CRR0042 – Border Fluidity, infrastructure and regulatory arrangements	Highways & Transport – Sevington Inland Border Post	Appendix C - Priority 2 Audits
		Appendix D - Reasonable Assurance Model
		Appendix E - Audits against Corporate Risks
		Appendix F - Audit Charter
		Appendix G - Key Performance Indicators

Audit Plan Mapped Against Corporate Risk Register	
Risk	Audits
CRR0044 – High Needs Funding	SEND Accelerated Progress Plan SEND Safety Valve Programme SEND Complaints
CRR0045 – Maintaining effective governance and decision making in a challenging financial and operating environment	Key Decisions Compliance with the Council’s Constitution – Procurement Commissioning Restructure
CRR0049 – Fraud and Error	Usage of Factoring Companies Gifts and Hospitality Payroll (Leavers) Sundry Debt CYPE Payment Portals Loan Approvals to Schools
CRR0050 – Chemical, Biological, Radiological and Nuclear Incidents	Public Health Assurance Mapping Public Health External Funding Review
CRR0052 – Impact of Climate Change	Climate Adaptation (+ NET Zero Follow Up)
CRR0053 – Capital Programme Affordability	Capital Programme (Schools)
CRR0056 – SEND Delivery Improvement and High Needs Funding shortfall	SEND Accelerated Progress Plan SEND Safety Valve Programme SEND Complaints
CRR0057 – Home to School Transport Pressures	SEND Home to School Transport Follow Up
CRR0058 – Recruitment and retention of the workforce	Recruitment Talent Management & Identification (GET)
CRR0059 – Non-delivery of savings	Budget Savings Follow Up

Section Navigation
Resources & Plan Summary
Cross Directorate
Adult Social Care & Health
Chief Executive Department (CED)
Childrens, Young People & Education (CYPE)
Deputy Chief Executive Department (DCED)
Growth, Environment & Transport (GET)
Appendix B - Priority 1 Audits
Appendix C - Priority 2 Audits
Appendix D - Reasonable Assurance Model
Appendix E - Audits against Corporate Risks
Appendix F - Audit Charter
Appendix G - Key Performance Indicators

KENT COUNTY COUNCIL

Internal Audit Charter

INTRODUCTION

This Internal Audit Charter formally defines the purpose, authority and responsibility of the Internal Audit service within Kent County Council. It is consistent with the mandatory requirements of the Public Sector Internal Audit Standards (PSIAS) and the supporting Local Authority Guidance Note (LGAN) produced by the Chartered Institute of Public Finance and Accountancy (and the Chartered Institute of Internal Auditors (IIA). The Charter will be reviewed at least annually to ensure it is up-to-date and reflects the PSIAS).

PURPOSE

The definition of Internal Audit is a mandatory part of the PSIAS and is 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.' Its mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Kent County Council's Internal Audit mission statement is, 'To support service delivery by providing an independent and objective evaluation of our clients' ability to accomplish their business objectives, manage their risks effectively and, where relevant, provide advice and insight.'

AUTHORITY

The requirement for the Council to 'maintain an adequate and effective system of internal audit of its accounting record and its systems of internal control' is contained in the Accounts and Audit Regulations 2015. This supplements the requirements of Section 151 of the Local Government Act 1972 for the Council to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has responsibility for the administration of those affairs. The Council has delegated this responsibility to the Corporate Director of Finance.

Section Navigation

Resources & Plan
Summary

Cross Directorate

Adult Social Care &
Health

Chief Executive
Department (CED)

Childrens, Young
People & Education
(CYPE)

Deputy Chief Executive
Department (DCED)

Growth, Environment
& Transport (GET)

Appendix B - Priority 1
Audits

Appendix C - Priority 2
Audits

Appendix D -
Reasonable Assurance
Model

Appendix E - Audits
against Corporate
Risks

Appendix F - Audit
Charter

Appendix G - Key
Performance
Indicators

STATUS OF INTERNAL AUDIT WITHIN THE ORGANISATION

The Head of Internal Audit and Counter Fraud (Head of IA&CF) reports directly to the Corporate Director of Finance and quarterly to the Governance and Audit Committee; meeting regularly with the Chair on a one-to-one basis. The Head of A&CF will also report to senior management and Members when necessary, including statutory officers, Head of Paid Service, Monitoring Officer, and the Leader of the Council.

The Governance and Audit Committee are responsible for ensuring Internal Audit are independent of the activities it audits, is effective, has sufficient experience and expertise and the scope of the work to be carried out is appropriate. The Governance and Audit Committee approve the Charter every year within the Annual Audit and Fraud Plan (the Plan).

The Head of IA&CF has direct access to the Chair of the Governance and Audit Committee and has the opportunity to meet with the Governance and Audit Committee in private.

The Chair of the Governance and Audit Committee will be involved in the appointment and termination of the Head of IA&CF.

RESPONSIBILITY

It is the responsibility of management to establish and maintain systems of corporate governance, risk management and internal control to provide assurance that the Council's objectives are being achieved and to minimise the risk of fraud or irregularity.

Internal Audit will contribute to the corporate governance process by providing an assurance on the effectiveness of these systems of risk management and internal control, making practical recommendations for enhancements where considered necessary. Management has responsibility to implement agreed actions in relation to issues raised by audit or to accept the risks resulting from not acting. However, Internal Audit will consider taking matters to higher levels of management or to the Governance and Audit Committee, if it is felt that the risk should not (or need not) be borne, or management fails to implement agreed actions in a timely manner.

PROFESSIONAL STANDARDS

The Council's Internal Audit activity will conform to standards and guidance contained in the Public Sector Internal Audit Standards. The PSIAS encompasses the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework which include:

- the Definition of Internal Auditing;
- the Core Principles;
- the Code of Ethics; and
- the International Standards for the Professional Practice of Internal Auditing.

Compliance, by all those involved in the delivery of Internal Audit services with the Code of Ethics laid down in the PSIAS enhances the environment of trust between Internal Audit and senior management. Fundamentally, the following ethical standards are observed:

- Integrity – performing work with honesty, diligence and responsibility;
- Objectivity – making a balanced assessment of relevant circumstances not unduly influenced by personal interests or by others in forming judgements;
- Confidentiality – respecting the value and ownership of information obtained and not disclosing without appropriate authority, unless there is a legal or professional obligation to do so;
- Competence and Due Professional Care – applying the knowledge, skills and experience needed in the performance of work.

Additional requirements and interpretations for the UK public sector have been incorporated.

The Council's Internal Audit activity will also have regard to the Committee on Standards in Public Life, and to the Seven Principles of Public Life.

INDEPENDENCE AND OBJECTIVITY

Internal Audit will be sufficiently independent of the activities it audits to enable auditors to perform their duties in a manner that facilitates impartial and effective professional judgements and recommendations. This will include ensuring that where an audit is undertaken of an area where the Head of IA&CF has operational responsibility, appropriate measures are put in place to avoid compromising independence. In the case of the Counter Fraud Service this will be achieved through a tri-authority peer review; the most recent peer review was completed in May 2021.

The Head of IA&CF will have free and unrestricted access and freedom to report in his/her own name to the Corporate Director of Finance, Head of Paid Service, Monitoring Officer and Chair of the Governance and Audit Committee.

In addition, Internal Audit will be responsible for determining its priorities based on an evaluation of risk. Auditable areas which are deemed to represent the most significant controls that are operating in order that KCC delivers its business objectives are identified from directorates, annual operating plans, consultation with managers and Internal Audit's experience of the directorates. These are used to determine the strategic and annual Plans. The Plan will be flexible enough to accommodate the needs of senior management and Members depending on the relative significance of emerging risks. The Governance and Audit Committee will approve the Plan and at each of its meetings will receive reports summarising significant findings of audit work undertaken.

Internal Audit will also report to the Governance and Audit Committee, progress on the directorates' implementation of actions agreed in relation to issues raised by Internal Audit.

Objectivity will be preserved by ensuring that all members of staff are free from any conflicts of interest and do not undertake any duties that they could later be called upon to audit, including where members of staff have been involved in, for example working groups, consultancy etc. Internal Auditors will also refrain from assessing specific operations for which they were previously responsible, within the previous year.

Should the independence or objectivity of the Internal Audit service be impaired in fact or appearance, the Head of IA&CF will disclose details of the impairment to the Corporate Director of Finance and /or the Chair of the Governance and Audit Committee depending upon the nature of the impairment.

When requested to undertake any additional roles or responsibilities outside of Internal Auditing, the Head of IA&CF must highlight to the Governance and Audit Committee any potential or perceived impairment to independence and objectivity having regard to the principles contained within the Code of Ethics. The Governance and Audit Committee must approve and periodically review any safeguards put in place to limit impairments to independence and objectivity.

SCOPE & NATURE OF INTERNAL AUDIT

Internal Audit activity will be undertaken to provide assurance to senior management (Corporate Directors / Corporate Management Team) and the Governance and Audit Committee (referred to as 'Board' in the PSIAS) as to the adequacy and effectiveness of the Councils' systems for corporate governance, risk management and internal control. This effectively means that Internal Audit has independent oversight of all of the Council's operations, resources, services and processes and includes:

- Reviewing the soundness, adequacy and application of financial and other management controls to manage the risks to achieve the Council's objectives;
- Reviewing the extent of compliance with, relevance and financial impact on strategic and operational goals of established policies, plans and procedures;
- Reviewing the extent to which the organisation's assets and interests are accounted for and safeguarded from losses arising from:
 - Fraud and other offences
 - Waste, extravagance and inefficient administration, poor value for money and other causes;
- Reviewing the suitability and reliability of financial and other management data developed within the organisation;
- Reviewing awareness of risk and its control and providing advice to management on risk mitigation and internal control in financial or operational areas where new systems are being developed or where improvements are sought in the efficiency of existing systems;
- Promoting and raising awareness of fraud and corruption;
- Investigating allegations of fraud and corruption;
- Providing advice (consultancy) to Directorates for a variety of issues, such as project assurance, controls advisory requests, areas of concern and lessons learnt reviews.

Internal Audit's activities extend to all remote establishments, subsidiary companies and trading activities.

Where the Head of IA&CF considers that the scope of audit work is being restricted, the Corporate Director of Finance and the Governance and Audit Committee will be advised.

Internal Audit is not relieved of its responsibilities in areas of the Council's business that are subject to review by others but will assess the extent to which it can rely upon the work of others and co-ordinate its audit planning with the plans of such review agencies.

The Head of IA&CF will provide an annual audit opinion as to the adequacy of the Council's governance arrangements, internal controls and risk management processes. This will be used to support the Annual Governance Statement.

Section Navigation

Resources & Plan
Summary

Cross Directorate

Adult Social Care &
Health

Chief Executive
Department (CED)

Childrens, Young
People & Education
(CYPE)

Deputy Chief Executive
Department (DCED)

Growth, Environment
& Transport (GET)

Appendix B - Priority 1
Audits

Appendix C - Priority 2
Audits

Appendix D -
Reasonable Assurance
Model

Appendix E - Audits
against Corporate
Risks

Appendix F - Audit
Charter

Appendix G - Key
Performance
Indicators

FRAUD AND IRREGULARITY

Internal Audit and Counter Fraud do not have to investigate all cases of potential frauds and irregularities; however, they must all be reported to the Head of IA&CF or the Counter Fraud Manager who will determine if an investigation needs to take place. Internal Audit will report to the Governance and Audit Committee at the conclusion of each investigation, a summary of the fraud/irregularity, control weaknesses and the outcome. If a significant fraud or irregularity is identified this will be brought to the attention of the Chair of the Governance and Audit Committee at the time of the investigation.

RIGHT OF ACCESS

To fulfil its objectives, Internal Audit will be granted unrestricted access to all staff, Members, records (documentary and electronic), assets and premises, deemed necessary in the course of its duties. Internal Audit will ensure that all information received as part of their work is treated confidentially at all times.

INTERNAL AUDIT RESOURCES

The Plan is developed annually and takes into account the work that is needed to enable the Head of IA&CF to provide an assurance on the control environment and governance across the Council. To ensure that there are adequate Internal Audit resources available to deliver the Plan, an assessment is made to determine the number of staff days available; and to identify the knowledge and experience of staff to ensure that Internal Audit has the right skills mix to deliver the Plan. The Head of IA&CF will use a combination of in-house, partner or third parties to deliver aspects of the Plan to the best expertise and value for money. When engaging a partner, the Head of IA&CF will ensure the partner has the appropriate knowledge and experience to deliver the engagement, applies the quality assurance standards of the section and has access to all information and explanation required to undertake the engagement (coordinated through Internal Audit managers).

REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT

In accordance with the Accounts and Audit Regulations, there is a requirement for an annual review of the effectiveness of the system of internal control. This is also part of the wider annual review of the effectiveness of the system of internal control. The Head of IA&CF will carry out an annual review of the Internal Audit function, in accordance with the Quality Assurance and Improvement Programme outlined below and will report the results to the Governance and Audit Committee to enable it to consider the findings of the review. In addition, the Head of IA&CF will arrange for an independent review to be carried out, at least every five years which will be reported to the Governance and Audit Committee; this was last undertaken in March 2021. The Head of IA&CF will review the Charter annually and attach a revised document to the annual Plan.

Section Navigation

Resources & Plan
Summary

Cross Directorate

Adult Social Care &
Health

Chief Executive
Department (CED)

Childrens, Young
People & Education
(CYPE)

Deputy Chief Executive
Department (DCED)

Growth, Environment
& Transport (GET)

Appendix B - Priority 1
Audits

Appendix C - Priority 2
Audits

Appendix D -
Reasonable Assurance
Model

Appendix E - Audits
against Corporate
Risks

Appendix F - Audit
Charter

Appendix G - Key
Performance
Indicators

PROVISION OF ASSURANCE TO THIRD PARTIES

The Council's Internal Audit section is sometimes requested to undertake Internal Audit and assurance activity for third parties. These include internal audit services, grant certification and financial accounts sign-off.

The same principles detailed in this Charter will be applied to these engagements.

In performing consulting engagements, internal auditors must ensure that the scope of the engagement is sufficient to address the agreed-upon objectives. If internal auditors develop reservations about the scope during the engagement, these reservations must be discussed with the client to determine whether to continue with the engagement. Internal auditors will address controls consistent with the engagement's objectives and be alert to significant control issues.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The Head of IA&CF will maintain a Quality Assurance and Improvement Programme (QAIP) 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 Head of IA&CF will communicate to the Corporate Director of Finance and the Governance and Audit Committee on the internal audit activity's QAIP, including results of ongoing internal assessments and external assessments conducted at least every five years.

Section Navigation

Resources & Plan
Summary

Cross Directorate

Adult Social Care &
Health

Chief Executive
Department (CED)

Childrens, Young
People & Education
(CYPE)

Deputy Chief Executive
Department (DCED)

Growth, Environment
& Transport (GET)

Appendix B - Priority 1
Audits

Appendix C - Priority 2
Audits

Appendix D -
Reasonable Assurance
Model

Appendix E - Audits
against Corporate
Risks

Appendix F - Audit
Charter

Appendix G - Key
Performance
Indicators

VERSION CONTROL

Document Owner: Jonathan Idle, Head of Internal Audit and Counter Fraud.

Version	Reviewed	Reviewer	Approver
Original			
2	February 2015	Head of Internal Audit	Governance & Audit Committee
3	April 2016	Strategic Audit Manager	Governance & Audit Committee
4	March 2019	Head of Internal Audit	Governance & Audit Committee
5	July 2020	Head of Internal Audit	Governance & Audit Committee
6	July 2021	Head of Internal Audit	Governance & Audit Committee
7	April 2022	Head of Internal Audit	Governance & Audit Committee

Section Navigation

Resources & Plan
Summary

Cross Directorate

Adult Social Care &
Health

Chief Executive
Department (CED)

Childrens, Young
People & Education
(CYPE)

Deputy Chief Executive
Department (DCED)

Growth, Environment
& Transport (GET)

Appendix B - Priority 1
Audits

Appendix C - Priority 2
Audits

Appendix D -
Reasonable Assurance
Model

Appendix E - Audits
against Corporate
Risks

Appendix F - Audit
Charter

Appendix G - Key
Performance
Indicators

2023/24 Internal Audit Key Performance Indicators

1. The Key Performance indicators (KPI's) and Performance Monitoring for the Internal Audit service have been reviewed with the intention of updating to more modern metrics updates with an ongoing shift from quantitative to outcome and value measuring performance.
2. Thus, it has been the tradition within Internal Audit to concentrate upon input and output metrics such as:
 - Percentage of the Audit Plan delivered.
 - Planned v Actual days / % of audits completed within resource allocation.
 - Delivery of all agreed Audit Committee papers on time.
 - % of Draft audit reports issued within ten working days of completion of fieldwork.
 - % of Final Reports issued within five working days of receipt of responses to draft report.
3. These are valid to measure within the service internally as they are part of how Audit Managers monitor individual and team efficiency, however it is more relevant to report to the Governance and Audit Committee and stakeholders on whether there is value from the work of Internal Audit and whether the work helps the organisation strengthen controls and the management of risk and achieve its objectives and priorities.
4. To further shift the performance measurement of the Internal Audit service to being outcome based and accountable to the Governance and Audit Committee, the following measures in Table 1 will be reported to the Committee:

Section Navigation

Resources & Plan
Summary

Cross Directorate

Adult Social Care &
Health

Chief Executive
Department (CED)

Childrens, Young
People & Education
(CYPE)

Deputy Chief Executive
Department (DCED)

Growth, Environment
& Transport (GET)

Appendix B - Priority 1
Audits

Appendix C - Priority 2
Audits

Appendix D -
Reasonable Assurance
Model

Appendix E - Audits
against Corporate
Risks

Appendix F - Audit
Charter

Appendix G - Key
Performance
Indicators

2023/24 Internal Audit Key Performance Indicators – Table 1

Section Navigation

KCC Key Performance Indicator

Resources & Plan Summary

Cross Directorate

Adult Social Care & Health

Chief Executive Department (CED)

Childrens, Young People & Education (CYPE)

Deputy Chief Executive Department (DCED)

Growth, Environment & Transport (GET)

Appendix B - Priority 1 Audits

Appendix C - Priority 2 Audits

Appendix D - Reasonable Assurance Model

Appendix E - Audits against Corporate Risks

Appendix F - Audit Charter

Appendix G - Key Performance Indicators

	Factor	Basis	Measured by
A	Strategic Alignment	For Internal Audit to be relevant, its coverage must be aligned to the Council's main risks	<ul style="list-style-type: none"> Either an Assurance Map on Internal Audit coverage or reporting to the Committee on annual coverage compared to the Corporate Risk Register
B	Rolling Audit Plan	Having a Rolling Audit Plan reflects the need for coverage of key risks at the right time	<ul style="list-style-type: none"> Number of Relationship Management meetings held to discuss Rolling Audit Plan Stakeholder feedback on the effectiveness of IA coverage
C	Timely Insights	In addition to the timeliness of reports, insights should be provided in a timely manner to managers and stakeholders	<ul style="list-style-type: none"> Stakeholder feedback on effectiveness of collaboration Stakeholder Feedback on Embedded Assurance insights
D	Adding Value	The fundamental basis for the service to the Council that Internal Audit should be providing.	<ul style="list-style-type: none"> The proportion of audit coverage providing wider assurance via the use of data analytics Recording how audit coverage has contributed to the Council saving money. Documenting how and where IA has provided guidance for improving poor or effective controls. Documenting how IA has provided embedded assurance advice from the initial stages of strategic initiatives
E	Management Actions	To determine if there has been actual improvement from Internal Audit reviews	<ul style="list-style-type: none"> % of high priority / risk issues agreed % of high priority / risk issues implemented. % of all issues agreed % of all issues implemented.
F	Client Satisfaction	Determining whether value is added	<ul style="list-style-type: none"> Client satisfaction surveys at the end of each audit. Annual Key stakeholder perception survey (some questions to be amended)
G	Audit Efficiency	The responsibility to operate efficiently	<ul style="list-style-type: none"> Time from audit planning to draft report being issued. Completion of all Grant Certifications for the Council/ respective Directorates within set timescales.