

Dorset Council

Proposed 2020-21 Internal Audit Plan and Internal Audit Charter

The Internal Audit Plan: Summary

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2020/21 financial year.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage, will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.

Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective opinion on the Authority's risk management, governance, and control environment by evaluating its effectiveness.

Prior to the start of each financial year, SWAP, in conjunction with senior management, put together a proposed plan of audit work. The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

It should be noted that internal audit is only one source of assurance, and the outcomes of internal audit reviews should be considered alongside other sources, as part of the 'three lines of defence' assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Authority's AGS.

It is the responsibility of the Authority's Senior Leadership Team, and the Audit & Governance Committee, to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Senior Leadership Team and Audit & Governance Committee?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, in order to obtain an understanding of the organisation’s plans, key business objectives, associated risks, and risk management processes.

As risk management arrangements are still being developed and embedded within the Authority, we have sought views from Senior Management rather than relying on risk registers as a starting point for our audit planning.

Approach to Internal Audit Planning 2020/21

The factors considered in putting together the 2020/21 internal audit plan have been set out below:



Due to the pace of change, transition and transformation within Dorset Council, it is difficult to accurately predict longer-term organisational risks. Our approach to internal audit planning has therefore also changed to reflect this. Instead of preparing a twelve-month plan at a point in time, we have prepared an agile, risk-assessed work plan, containing key areas of coverage, that will be updated as the year progresses. We will regularly re-visit and adjust our programme of audit work to ensure that it matches the changing risk profile of the organisation’s operations, systems and priorities. This will ensure that we are auditing the right areas at the right time.

The Internal Audit Plan: Risk Assessment

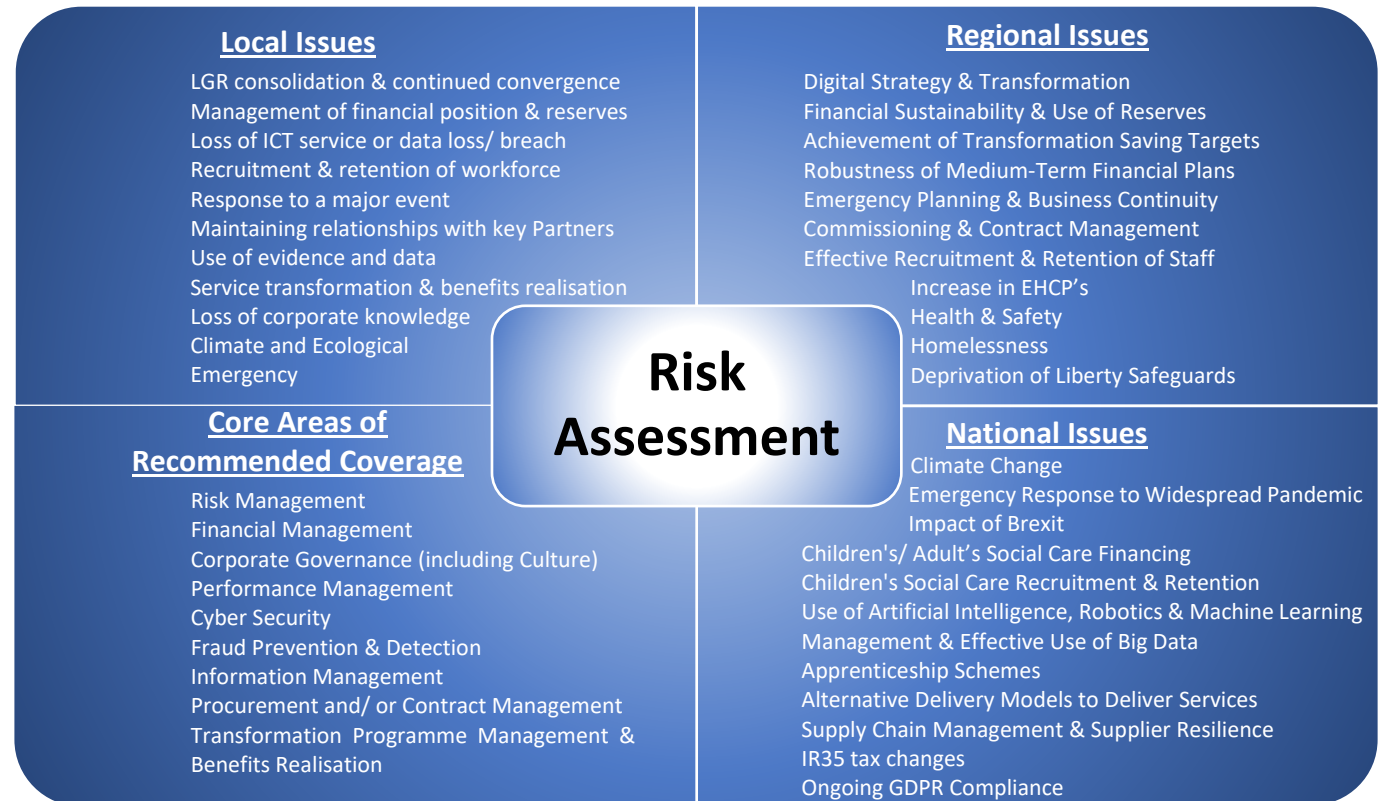
A documented risk assessment prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

As above, it is the responsibility of the Authority's Senior Leadership Team, and the Audit & Governance Committee to ensure that, following our risk assessment, the proposed plan contains sufficient and appropriate coverage.

Internal Audit Annual Risk Assessment

Our 2020/21 internal audit programme of work is based on a documented risk assessment, which SWAP will revisit regularly, but at least annually. The input of senior management as well as review of the Authority's risk registers will be considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for Dorset Council:



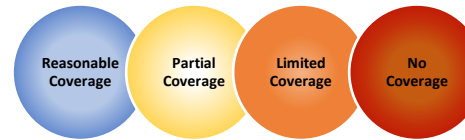
The Internal Audit Plan: Coverage

Following our SWAP Risk Assessment above, we have set out how the proposed 20/21 plan presented in Appendix 1 provides coverage of the Authority's key corporate risks, as well as our core areas of recommended audit coverage.

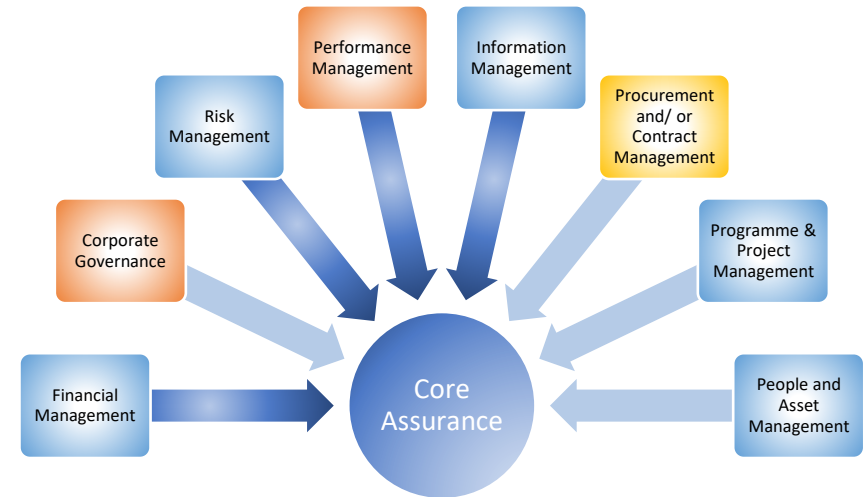
Internal audit is only one source of assurance; therefore, where we have highlighted gaps in our coverage, assurance should be sought from other sources where possible in order to ensure sufficient and appropriate assurances are received.

Internal Audit Coverage in 2020/21

Following our SWAP risk assessment, we have set out below the extent to which the proposed plan presented in Appendix 1 provides coverage of the Authority's key corporate objectives and risks, as well as our core areas of recommended audit coverage:



Corporate Risk	Coverage
CRR 01 - Budget	Reasonable Coverage
CRR 02 – Cyber Attack	Reasonable Coverage
CRR 03 – Recruit, Retain, Develop Workforce	Reasonable Coverage
CRR 04 – GDPR	Reasonable Coverage
CRR 05 – Emergency Response	No Coverage
CRR 06 – Brexit	No Coverage
CRR 07 – Infrastructure	No Coverage
CRR 08 – Education	Reasonable Coverage
CRR 09 – Transformation	Reasonable Coverage
CRR 10 – Corporate Knowledge	Reasonable Coverage
CRR 11 – Climate Change	Reasonable Coverage
CRR 12 – Breach of Statutory Duty	Reasonable Coverage
CRR 13 – Health, Safety, Wellbeing	Reasonable Coverage
CRR 14 – Safeguarding	Reasonable Coverage
CRR 15 – Commissioning	Reasonable Coverage
CRR 16 – Officer/ Member Interface	No Coverage
CRR 17 – School Transport	Limited Coverage
CRR 18 – Evidence Base	Reasonable Coverage
CRR 19 – Partnerships	Limited Coverage
CRR 20 – Election	No Coverage



Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

The Internal Audit Plan: SWAP

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 24 public sector partners, crossing eight Counties, but also providing services throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated

Your Internal Audit Service

Audit Resources

The 2020/21 internal audit programme of work will be equivalent to 1,718 days (a reduction of 10% from 2019/20). The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the planned work. The key contacts in respect of your internal audit service for Dorset Council are:

Rupert Bamberger, Assistant Director – Rupert.bamberger@swapaudit.co.uk, 07720 312464

Sally White, Principal Auditor – sally.white@swapaudit.co.uk, 01305 224488

External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IPPF).

Every three years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in February 2020 which confirmed general conformance with the IPPF.

Conflicts of Interest

We are not aware of any conflicts of interest within Dorset Council that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Consultancy Engagements

As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

Approach to Fraud

Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption. We have dedicated counter fraud resource available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.

The Internal Audit Plan: SWAP

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best-practice between our public-sector Partners
- Regular newsletters and bulletins containing emerging issues and significant risks identified across the SWAP partnership
- Communication of fraud alerts received both regionally and nationally
- Annual Member training sessions

Our Reporting

A summary of internal audit activity will be reported quarterly to the Senior Leadership Team and the Audit & Governance Committee. This reporting will include any significant risk and control issues (including fraud risks), governance issues and other matters that require the attention of the Senior Leadership Team and/or the Audit & Governance Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

Internal Audit Performance:

As part of our regular reporting to the Senior Leadership Team and the Audit & Governance Committee, we will report on internal audit performance. The following performance targets will be used to measure the performance of our audit activity:

Performance Measure	Performance Target
<p style="text-align: center;"><u>Delivery of Annual Internal Audit Plan</u> Completed at year end</p>	>90%
<p style="text-align: center;"><u>Quality of Audit Work</u> Overall Client Satisfaction <i>(did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i></p>	>95%
<p style="text-align: center;"><u>Outcomes from Audit Work</u> Value to the Organisation <i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i></p>	>95%

It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific Terms of Engagement for the piece of work, which includes the objective and scope for the review.

Link to Local Plan, Corporate Risk Register, or Healthy Organisation Theme	Areas of Coverage and Brief Scope	Senior Leadership Team Lead	Priority (H, M, L) and Proposed Timing (Earlier, Later)
CRR 02 - Cyber Attack	Cyber Security <i>Further detailed cyber security reviews identified from SWAP's health check work in Q4 of 2019-20</i>	Aidan Dunn	Higher/ Earlier
CRR 01 - Budget	Achievement of Savings Targets <i>A review of the achievement of the planned savings within the 2020-21 budget.</i>	Aidan Dunn	Higher/ Later
CRR 04 - GDPR	Data Protection Training <i>A review of GDPR training and application of refresher training to ensure that it is consistently undertaken across all staff regardless of status (contracted, consultant, agency etc.)</i>	Jonathan Mair	Higher/ Earlier
CRR 09 – Transformation	Benefits Realisation <i>A review to assess the effectiveness of benefits realisation across programme and project management.</i>	SLT	Higher/ Later
Local Plan – Climate and Ecological Emergency	Climate Change <i>To assess plans in place to address the impact of day to day Council activities on the climate change agenda and the risk of failing to adapt service and communities to the impacts of climate change.</i>	SLT	Higher/ Later
CRR 10 – Corporate Knowledge	Workforce Planning <i>Following LGR there is a risk of loss of experienced skilled staff. How has the council managed this potential loss of corporate memory and moving forward how is it ensuring that it is able to appoint suitably qualified and skilled staff.</i>	David McIntosh	Higher/ Earlier
CRR 01 - Budget	High Cost Placements <i>A review of the market management of high cost placements</i>	Theresa Leavy	Higher/ Earlier

CRR 14 -Safeguarding	Disclosure and Barring Service Checking <i>To provide assurance there are adequate controls in place to ensure that all staff requiring a DBS check have had one.</i>	David McIntosh	Higher/ Earlier
CRR 01 - Budget	Dedicated Schools Grant <i>Review of implementation of the deficit reduction strategy</i>	Aidan Dunn	Higher/ Earlier
CRR 08 – Education	EHCP's <i>A review of the progress of implementation of recommendations following the EQ lean review of SEN team process and procedures</i>	Theresa Leavy	Higher/ Later
CRR 14 – Safeguarding	Unregistered Placements <i>When a child is placed in a provision e.g. a children's home, they have to be registered. Increasingly across the country provisions are not available so children are being placed in unregistered provisions. Dorset do have some unregistered placements</i>	Theresa Leavy	Higher/ Earlier
CRR 01 - Budget	Transformation Bidding <i>A review of the bidding, approval and monitoring process to ensure achievement of planned savings within the 2020-21 budget</i>	Aidan Dunn	Higher/Earlier
Healthy Organisation – Corporate Governance	Fraud Reporting <i>A review of the fraud reporting arrangements in DC with a benchmarking comparison.</i>	Jonathan Mair	Medium/ Earlier
Local Plan - Unique Environment	Waste Operators Licence <i>To undertake a compliance/health check audit to ensure the risk of licence revocation is minimised</i>	John Sellgren	Medium/ Earlier
CRR 09 – Transformation	Service Continuity <i>To provide assurance on a joined-up customer journey across a number of service areas who have contact with the public/businesses</i>	John Sellgren	Medium/ Earlier
CRR 09 – Transformation	Convergence of Contracts <i>To review the processes around the convergence of contracts across legacy councils to ensure efficiencies and savings have been achieved where possible and to ensure that where applicable appropriate contracts have been passed to BCP</i>	Aidan Dunn	Medium/ Earlier

CRR 10 – Corporate Knowledge	Role of the Dorset Manager <i>A review to ensure that there is adequate guidance/procedural instruction/training for the role of a Dorset Manager and an assessment of compliance across the Council</i>	David McIntosh	Medium/ Earlier
Local Plan - Strong, Healthy Communities	Public Health New Funding Model <i>To assess whether the service is prepared and flexible enough to meet the requirements of a potential new funding model.</i>	Sam Crowe	Medium/ Earlier
CRR 01 - Budget	Achievement of Procurement Savings <i>A balanced budget for 2020-21 requires £3M of procurement savings. To review the progress towards achieving these savings.</i>	Aidan Dunn	Medium/ Earlier
Local Plan - Strong, Healthy Communities	Joint Working with the Mental Health Trusts <i>To provide assurance around the governance of the joint working arrangements, along with potential benchmarking of how such services are delivered across other Councils.</i>	Vivienne Broadhurst	Medium/ Earlier
Local Plan - Strong, Healthy Communities	Safeguarding <i>A review of the governance arrangements and interconnectivity with other partners ensuring quality and using intelligence gathering to best effect.</i>	Vivienne Broadhurst	Medium/ Earlier
Healthy Organisation – Financial Management	Early Years Funding <i>To provide assurances to management that Early Years providers are being paid the correct amounts and the risks to the Council are being appropriately managed, e.g. of fraud and/or overpayment (also potentially include a review of the longer-term sustainability of nursery provision in the area now that Christchurch has moved to BCP)</i>	Theresa Leavy	Medium/ Earlier
CRR 09 – Transformation	Digital Dorset <i>A review of the wider strategy and approach for Digital Dorset</i>	Aidan Dunn	Medium/ Earlier
CRR 15 – Commissioning	Coroner’s Service <i>A review of the shared arrangements between DC and BCP</i>	John Sellgren	Medium/ Earlier
CRR 12 – Breach of Statutory Duty	Registration Service <i>To undertake a health check review with particular emphasis on performance returns</i>	John Sellgren	Medium/ Earlier

CRR 13 – Health, Safety, Wellbeing	Premises Related Health and Safety <i>A review to assess the risk of failure of directorate duty holder to ensure compliance with health and safety at an occupied premise</i>	John Sellgren	Medium/ Earlier
Local Plan - Strong, Healthy Communities	Free School Meals Data Matching exercise <i>To undertake a data matching exercise to assist schools in identification of families eligible for free meals and thus pupils eligible for the school to claim Pupil Premium grant.</i>	Theresa Leavy	Medium/ Earlier
CRR 18 – Evidence Base	Impact Assessments and Use of Data <i>Impact assessments for equality, finance and climate are now required on all committee and SLT reports as well as an assessment of the use of data. A review of the framework around these assessments that ensures quality and accuracy in their completion.</i>	Matt Prosser	Medium/ Earlier
Healthy Organisation – Financial Management	Key Control/Continuous Audit <i>A review of the key financial controls in the following areas:</i> <i>Accounts Payable</i> <i>Accounts receivable</i> <i>Payroll</i> <i>Main Accounting</i> <i>Treasury Management</i> <i>Housing Benefits</i> <i>Council Tax</i> <i>Non-domestic Rates</i>	Aidan Dunn	Medium/ Earlier
Local Plan - Strong, Healthy Communities	Children’s Service Contact <i>Some Looked After Children are able to have contact with their birth families. The contact service arranges for venues and personnel to supervise contact sessions. The audit will provide assurances around the efficiency and effectiveness of the service ensuring that the service provides LAC children with the best contact opportunities</i>	Theresa Leavy	Medium/ Earlier

CRR 08 – Education	Risk of School’s self-governance <i>How does the LA flag schools where performance around Governance, finance, safeguarding, pupil performance etc are causing concern and does the subsequent support offered improve performance</i>	Theresa Leavy	Medium/ Later
CRR – All	Risk Management <i>To provide assurances around how embedded risk management is within the Council</i>	Jonathan Mair	Medium/ Later
CRR 02 – Cyber Attack	Convergence of ICT Systems <i>A review of the programme to converge the ICT arrangements across the legacy councils</i>	Aidan Dunn	Medium/ Later
CRR 18 – Evidence Base	Use of Evidence and Data <i>A review to assess the quality of data entry, collection and use</i>	Matt Prosser	Medium/ Later
CRR 17 – School Transport	Council Transport for Service Users <i>A review to ensure robust controls around incident management on Council transport such as school busses, taxis and other Council transport.</i>	John Sellgren	Medium/ Later
Local Plan – Staying Safe and Well	Strengths Based Practice <i>A review of the strengths-based approach to social care to identify whether the approach is effectively embedded in process and practice and that the expected benefits of preventative care and impact on longer term spend are being realised.</i>	Vivienne Broadhurst	Medium/ Later
Local Plan - Strong, Healthy Communities	Public Transport Routes <i>A review of mitigations around the risk of loss or significant reduction of key public transport routes such as demand modelling etc along with benchmarking exercise in order to determine best practice.</i>	John Sellgren	Medium/ Later
Healthy Organisation – People & Asset Management	Establishment Control <i>To assess the controls in place to ensure that the staffing establishment of Dorset Council is adequately controlled thus preventing staffing budget overspends</i>	David McIntosh	Medium/ Later

<p>Local Plan - Strong, Healthy Communities</p>	<p>Front Door Service <i>The performance data is indicating that the new front door service as part of Blueprint for Change, is successfully cutting the number of referrals however is there quality decision making and practice around this performance which ensures that people are getting the right help from the right agencies at the right time.</i></p>	<p>Theresa Leavy</p>	<p>Medium/ later</p>
	<p>Data Analytics <i>A series of Data Analytics exercises undertaken with a view to provide insight and add value.</i></p>		
	<p>Troubled Families <i>Certification work</i></p>		
	<p>Grant Certifications <i>Certifications of grants, as required</i></p>		
	<p>Follow up work <i>Follow up to ensure progress in implementing recommendations from previous partial assurances</i></p>		

The Internal Audit Charter

Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Dorset Council, and to outline the scope of internal audit work.

Approval

This Charter is presented for approval by the Audit & Governance Committee on 24th March 2020 and is reviewed each year to confirm it remains accurate and up to date. It was last reviewed by the Shadow Executive Committee on 25th March 2019.

Provision of Internal Audit Services

The internal audit service is provided by SWAP Internal Audit Services (SWAP). This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between SWAP partners.

The budget for the provision of the internal audit service is determined by Dorset Council, in conjunction with the SWAP Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the organisation, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment that was carried out when determining the organisation's level of contribution to SWAP. This is reviewed each year by the S151 Officer in consultation with the Chief Executive of SWAP.

Role of Internal Audit

The Accounts and Audit (England) Regulations 2015, state that: *"A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance."*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Organisation's operations. It helps Dorset Council accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibilities of Management, Audit & Governance Committee and Internal Audit

Management¹

Management is responsible for ensuring SWAP has:

- the support of management and the organisation; and
- direct access and freedom to report to senior management, including the Chief Executive and the Audit & Governance Committee
- Notification of suspected or detected fraud, corruption or impropriety.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Organisation. Management is also responsible for the appropriate and effective management of risk.

Audit & Governance Committee²

The Audit & Governance Committee is responsible for approving the scope of internal audit work, receiving communications from the SWAP Assistant Director on the progress of work undertaken, reviewing the independence, objectivity, performance, professionalism and effectiveness of the Internal Audit function, and obtaining reassurance from the SWAP Assistant Director as to whether there are any limitations on scope or resources.

¹ In this instance Management refers to the Senior Leadership Team and Statutory Officers.

² In this instance, the Audit & Governance Committee relates to "The Board" referred to in the PSIAS.

Internal Audit

The SWAP Assistant Director, as Head of Internal Audit, is responsible for determining the scope, except where specified by statute, of internal audit work and for recommending the action to be taken on the outcome of, or findings from, their work.

Internal audit is responsible for operating under the policies established by management in line with best practice.

Internal audit is responsible for conducting its work in accordance with the mandatory elements of the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. SWAP staff who have previously worked for the organisation will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

Relationship with the External Auditors/Other Regulatory Bodies

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

Status of Internal Audit in the Organisation

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

The Chief Executive for SWAP, and the Assistant Director also report to the Section 151 Officer, and report to the Audit & Governance Committee as set out below.

The Assistant Director will be the first and primary point of contact for the organisation for all matters relating to the Audit & Governance Committee, including the provision of periodic reports, as per company policy. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of Dorset Council.

Scope and authority of Internal Audit work

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organisation.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information used for operational and strategic decision making, and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management and communication of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the organisation and its services;

APPENDIX 2

- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the organisation is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned, with performance and accountabilities established.
- reviewing the operations of the organisation in support of their anti-fraud and corruption policy, ethical expectations and corporate values, investigating where necessary.
- at the specific request of management, internal audit may provide consultancy services (including fraud investigation services) provided:
 - the internal auditor's independence is not compromised
 - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay
 - the scope of the consultancy assignment is clearly defined and management have made proper provision for resources the work.
 - management understand that the work being undertaken is not internal audit work.

Planning and Reporting

SWAP will submit to the Audit & Governance Committee for approval, an annual internal audit plan, setting out the recommended scope of their work in the period.

The annual plan will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will be reviewed on a quarterly basis to ensure it remains adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will make recommendations on the action to be taken as a result to the appropriate manager and Director. SWAP will report at least four times a year to the Audit & Governance Committee or as agreed. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the Audit & Governance Committee.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the Section 151 Officer and to other relevant line management.

The Assistant Director will submit an annual report to the Audit & Governance Committee providing an overall opinion of the status of risk and internal control within Dorset Council, based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and SWAP Assistant Directors have the unreserved right to report directly to the Leader of the Council, the Chairman of the Audit & Governance Committee, the organisation's Chief Executive Officer or the External Audit Lead.

A move to Agile Auditing

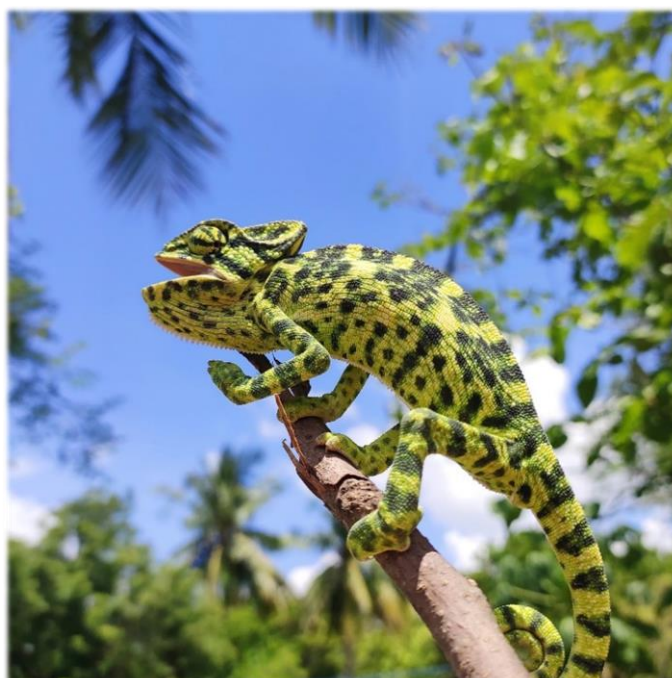
When delivering the 2020/21 Internal Audit Programme of work, as presented, we will be looking to embrace the concept of Agile Auditing.

What is Agile Auditing?

Agile Auditing breaks a typical audit engagement down into a number of shorter stages, with us reporting any findings as we go. It involves increased communication and collaboration with stakeholders throughout the audit process, with greater speed but also transparency. It is likely to involve a team of audit staff instead of one individual.

Why the move to it?

- We recognise that the speed of change (and subsequent risk) is increasing within our Partners. As auditors we therefore need to adapt in order to be able to react and respond quicker.
- We constantly seek ways in which we can add value to our Partners, in order to help them succeed. Increased communication and collaboration through Agile Auditing will support this.
- We also want to move towards shorter and more impactful audit reports; Agile Auditing will facilitate this.



What will it involve?

As above, an Agile audit engagement is likely to involve a small team of audit staff as opposed to one individual. This will ensure that the audit proceeds and concludes with greater pace.

Although we are likely to require more frequent interaction with staff in the area we are auditing, the interaction will be quicker and more focussed. We are confident that the overall time required from staff will actually be less than through a traditional audit approach.

We will look to discuss any audit findings with staff throughout the stages of the audit. This will ensure that by the time we come to report, we already have agreement to any proposed actions required, and even provide the opportunity for any findings to be actioned prior to the completion of our audit.

What will be the benefits?

- Ability to provide faster assurance**
- Enhanced ability to add value**
- Audit observations resolved more quickly**
- Shorter, more impactful audit reports**
- Reduced negotiations at audit report stage**

We hope you support our move towards Agile Auditing.

If you would like to discuss the concept in more detail, please speak to your SWAP contact.