Explanation of Internal Audit Assurance Blocks

E.1.1   The Audit Plan reflects the environment in which public sector audit operates, recognising that this has changed considerably over the past few years with more focus on, for example, better assurance, safeguarding and achieving best value. The planned audit coverage is intended to ensure stakeholders receive a valuable assurance and that the Internal Audit service tangibly adds value to the organisation.

E.1.2   In order to achieve this cross-cutting assurance, the Internal Audit Plan is based on 'assurance blocks' that each provides an opinion over key elements of the control environment, targeted towards in-year risks, rather than a more traditional cyclical approach examining each system over a number of years. These assurance blocks are summarised below for ease of understanding, as well as to demonstrate how cross-cutting assurance on the organisation's control environment can be given:

Value For Money

E.1.3   In order to address increased financial pressure on the organisation, the Council needs to ensure that it maintains a drive to achieve value for money across the entire organisation. Providing assurance over this area includes consideration of financial planning and forecasting; investments and income collection; demand management; and effective management of services to achieve their key objectives.

Procurement & Commissioning

E.1.4   Procurement and commissioning remains a key area of risk for the Council. When conducting procurement exercises, the Council should ensure that commissioning activity achieves the desired outcomes and that contracts include proportionate controls on quality and delivery. Once contracts are in place, effective contract monitoring is essential - not only to ensure that expected outcomes are achieved, but also that the Council achieves good cost control and does not pay more than it should.

E.1.5   Higher-risk contracts have been selected for review, incorporating open-book assurance where possible, to ensure that these are operating in accordance with the terms of the contracts and value for money is being achieved by contract management activities. Work to examine the commissioning process as a whole is also included in this assurance block.

Safeguarding

E.1.6   Safeguarding is a key risk area, and thus also a key area of assurance for the County Council. Internal Audit work in this area includes review of the frameworks in place to manage safeguarding risk, including policies, procedures and quality assurance processes. This assurance block also incorporates

review of processes to safeguard Council staff and tenants, such as health and safety policies and fire safety checks.

Project Management & Transformation

E.1.7   In order to address increased financial pressure on the organisation, the Council needs to transform and develop more effective working across all services. This work provides cross-cutting assurance over the management of key risks which accompany major transformation, and that benefits are delivered as planned.

ICT and Information Governance

E.1.8   Increasingly, the Council's operations are run through digital platforms which store and process large quantities of confidential data. As the Council is also subject to extensive legislation regarding its responsibilities in handling, storing and sharing data, this is a key risk area for the organisation. This assurance block covers the Council's ICT infrastructure, strategy and compliance, along with closely related risk areas such as information governance, information security, Freedom of Information Act compliance, and records management.

Financial Governance

E.1.9   This is the traditional area of internal audit work, and very much focuses on providing the Section 151 officer assurance that "the Council has made arrangements for the proper administration of its financial affairs." A core element of this work is the annual reviews of key financial systems, and in particular those financial systems which have the highest level of financial risk, such as Accounts Payable and Payroll. Other audit work undertaken as part of the Financial Governance assurance block includes review of financial regulations, budgetary control, provision of assurances over the use of grant funding from central government, and wider elements of organisational financial management.

Business Continuity

E.1.10   This assurance block covers the arrangements in place to ensure continuity of core Council services in the event of business disruption and/or major incidents. As well as business continuity policy and planning, Internal Audit work in this area includes consideration of arrangements to ensure supplier resilience, and planning for recruitment and retention of staff particularly in high-risk areas such as social care.

Fraud & Corruption

E.1.11   This is a key development area, and a high-risk area across the public sector. The bulk of the time allocated to providing assurance over fraud and corruption is set aside for risk assessment of whistleblowing referrals, and for fraud investigation work on a reactive basis, when concerns are raised either via whistleblowing routes or by senior management. All reactive investigative work by Internal Audit also includes pro-active consideration of the control environment in place to prevent and detect fraud and corruption, and formal reporting on any recommendations to strengthen internal control in this area.

E.1.12 In addition to this, time is set aside for an annual review of whistleblowing arrangements and the Council's anti-fraud and corruption culture.

Risk Management

E.1.13 This assurance block provides assurance over the operation of the Council's risk management framework, both in terms of the formal strategic risk management process and deep-dive thematic reviews that focus on the way individual risks are managed in practice across the Council.

Governance

E.1.14 The Plan incorporates annual assurances over core elements of the organisation's overall control system, including core corporate policies and procedures which drive organisational culture and risk appetite, performance management, and the Council's Code of Corporate Governance. These reviews provide assurance that key policies and procedures are up to date; fit for purpose; effectively communicated; routinely complied with across the organisation; as well as being monitored and regularly improved.