

## **KIRKLEES COUNCIL INTERNAL AUDIT STRATEGY APX3**

### **Strategy**

1. The objectives of the Council are set out in the Council Plan.
2. Internal Audit function will provide independent objective assurance to the Council about its systems and procedures, both financial and non-financial, and their adequacy to meet the councils objectives, and to also provide advisory and investigation services to the Council, with a view to ensuring probity, efficiency, effectiveness and value for money in the organisations operations. Whilst maintaining independence, it will collaborate with the councils wider assurance framework.
3. To achieve this mission/vision the Internal Audit function will strive to achieve continuous improvement in their work, being insightful, challenging, and courageous, with a view to helping the council achieve its objectives consistently, efficiently and effectively.

### **Assurance**

4. The Strategy related to assurance is that
  - a. All areas of Council activity are within scope for the purposes of internal audit work
  - b. Limited resources mean that there needs to be a prioritisation
  - c. This prioritisation will be based on risk with a presumption toward core financial systems, core governance and control arrangements, followed by supporting financial and other control systems, and then individual unit operations.
  - d. There will also be higher weighting placed on assessments of those activities that on past evaluation, or through risk assessments, may not be being operated in a way likely to provide sound assurance.
  - e. Plan development and activity is informed by the robustness and performance of first line controls and findings from second line assurance activity.
5. From this risk-based assessment a proposed Audit Plan will be prepared annually, and approved by the Corporate Governance & Audit Committee, with at least biannual review of the plan based on progress, resourcing, revised organisational priorities and other relevant issues.

### **Advisory Services**

6. The Strategy related to advisory services is that
  - a. The Council client identifies advisory services with which Internal Audit may be able to assist
  - b. Internal Audit identify areas that may benefit from advisory service and agree these with the Council as client
7. All this within an assessment of ability to provide the advisory service, that the advisory service will not conflict otherwise with an internal audit objective, and resource availability will not compromise the delivery of the assurance service.

### **Investigations**

8. The Strategy related to investigation services is that the investigation is necessary and appropriate to assess fraud or other inappropriate behaviour, with an assessment of alternative approaches where appropriate.

## **General**

9. All categories of work will involve an assessment of skill and competence to undertake any assignment.
10. This Internal Audit Strategy is prepared as required by the Global Internal Audit Standards (GIAS).
11. This Strategy has been considered by the Councils Executive Leadership Team, Chief Finance Officer and Director of Legal, Governance & Monitoring, and approved by the Corporate Governance & Audit Committee.
12. The GIAS expects that an Audit Strategy considers the existing arrangements against a 3–5-year time horizon. The existing internal audit arrangements are based on a team that can still bring substantial experience of the organisation. A weakness is that it is small, and experience has been lost at the practitioner level, which is being addressed through both training and recruitment.
13. The Audit Committee also involves members who bring longstanding knowledge and skill, but turnover of members in a typical municipal year can represent a threat to continuity and knowledge. This too needs to be mitigated by training, and the recruitment of an additional independent member.
14. Internal Audit will strive to achieve continuous improvement and seek to use appropriate technology to deliver an effective service. The staff team will be trained to widen skills and competence to achieve its mission and vision.
15. Each year the Audit Committee will establish targets for the internal audit function and for the council about assurance improvements as a measure of success of the activity.