

Agenda Item	7
Report No	AC/11/25

The Highland Council

Committee: **Audit Committee**

Date: **28 May 2025**

Report Title: **Internal Audit Annual Report 2024/25**

Report By: **Strategic Lead (Corporate Audit)**

1. Purpose/Executive Summary

- 1.1 The attached report includes an assessment of the Council's framework of governance, risk management and control, and the associated annual audit opinion which provides information for the Council's Annual Governance Statement.

2. Recommendations

- 2.1 The Committee is invited to note the content of the report, the audit opinion provided and to raise any relevant points with the Strategic Lead (Corporate Audit).

3. Implications

- 3.1 There are no Resource, Legal, Risk or Gaelic implications arising from this report. Any issues identified have already been addressed within previous reports to Committee.

4. Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is an update report and therefore an impact assessment is not required.

5. Annual Report 2024/25

- 5.1 The Public Sector Internal Audit Standards (PSIAS) requires that the Chief Audit Executive (the Strategic Lead (Corporate Audit):

“Must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

The annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.”

These requirements have been met by the report provided at **Appendix 1** with section 2 of the report used to inform the Council’s Annual Governance Statement.

- 5.2 This is the last year that the PSIAS apply and next year the annual report will be prepared in accordance with the requirements of the new Global Internal Audit Standards.

Designation: Strategic Lead (Corporate Audit)

Date: 13 May 2025

Author: Donna Sutherland

Background Papers:



The Highland Council

Internal Audit Annual Report 2024/25

Contents

1.	INTRODUCTION	1
2.	ANNUAL GOVERNANCE STATEMENT	2
3.	INTERNAL AUDIT GRADINGS AND OPINIONS	9

1. INTRODUCTION

- 1.1 The purpose of this report is to provide an annual Internal Audit opinion for the period 1st April 2024 to 31st March 2025, and a report that can be used by the Highland Council to inform its Annual Governance Statement.
- 1.2 This report has been produced in accordance with the requirements of the Public Sector Internal Audit Standards (the PSIAS) which came into effect from 1st April 2013 and apply to all internal audit service providers. These were developed in collaboration between the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA). The PSIAS were reviewed and updated periodically with the most recent update issued in 2017.
- 1.3 Section 2450 of the PSIAS states that:
 - The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.
 - The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
 - The annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.
- 1.4 The PSIAS have now been replaced by the new Global Internal Audit Standards (GIAS) which came into effect in January 2025. CIPFA subsequently issued "The Application Note: Global Internal Audit Standards in the UK Public Sector" which changed this date to 01/04/25. In accordance with the application note, this is the final annual report under the PSIAS.

2. ANNUAL GOVERNANCE STATEMENT

2.1 Internal Control

The Council's Financial Regulations requires that Senior Management ensures the principles of internal control are incorporated in the working practices of their Services.

Internal control is defined as *"the whole system of checks and controls, financial or otherwise, established by management in order to provide reasonable assurance"* regarding the achievement of one or more of the following objectives:

- The reliability and integrity of information.
- Compliance with policies, plans, procedures, laws, regulations and contracts.
- The safeguarding of assets.
- The economical and efficient use of resources.
- The accomplishment of established objectives and goals for operations or plans.

Any system of control can only provide reasonable, and not absolute assurance that control weaknesses or irregularities do not exist, or that there is no risk of material errors, losses, fraud or breaches of laws and regulations. Accordingly, the Council should seek continual improvement in the effectiveness of its systems of internal control.

2.2 Internal Audit

The Standards define internal auditing as *"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"*.

The work undertaken by Internal Audit is documented in an audit report and issued to management. Any areas of concern together with the management agreed actions and target dates for implementation are summarised in an Action Plan within the report. It is the responsibility of management to ensure that implementation of these actions takes place as agreed. The Internal Audit Section will undertake periodic follow-up reviews to ensure that the management agreed actions have been satisfactorily implemented and the results of this are reported to the Audit Committee.













The Internal Audit Section operates in accordance with the Standards and as required, a risk based tactical audit plan is produced each year and submitted for approval to the Audit Committee. Organisational independence is demonstrated by the Chief Audit Executive (Strategic Lead) reporting in their own name to senior management, and having direct access to the Chief Executive, Section 95 Officer, Audit Committee, Pensions Committee, and/ or other Members as considered appropriate.

The Standards require that there is periodic self-assessment against the Standard's requirements. This is undertaken annually, and details are provided in Table 1 overleaf. There is a change compared to previous years in that full compliance against the standards is not reported for this year. The

reason for this is that no external assessment was undertaken resulting in reference 1300 moving from full to partial compliance. Following previous reported delays to this assessment, it was decided by the Strategic Lead that resources would be better directed to implementing the new GIAS and moving forward given the fact that this is the last year of the PSIAS.

Summary of conformance with the Standards

Table 1

Reference	Assessment Area	Fully Conforms 	Generally Conforms 	Partially Conforms 	Does Not Conform 
Section A	Definition of Internal Auditing				
Section B	Code of Ethics				
Section C	Attribute Standards				
1000	Purpose, Authority and Responsibility				
1100	Independence and Objectivity				
1200	Proficiency and Due Professional Care				
1300	Quality Assurance and Improvement Programme				
Section D	Performance Standards				
2000	Managing the internal Audit Activity				
2100	Nature of Work				

Reference	Assessment Area	Fully Conforms 	Generally Conforms 	Partially Conforms 	Does Not Conform 
2200	Engagement Planning				
2300	Performing the Engagement				
2400	Communicating Results				
2500	Monitoring Progress				
2600	Communicating the Acceptance of Risks				

2.3 Internal Audit work

There were a number of audits carried over from the 2023/24 Internal Audit Plan and the first part of the year focussed on completing these. On 28/11/24, the Audit Committee approved a plan covering the period 2024 - 2025/26. This plan met the requirements of the PSIAS but also took cognisance of the new Global Internal Audit Standards.

All audit reports issued are provided as a standing agenda item to each Committee meeting together with details of progress against the Plan. Where the Plan requires adjustments during the course of the year these will be set out in the progress report for approval by Members.

A summary of the audit reports issued during the year together with the audit opinion and grades is provided at Section 3.2.

2.4 Areas of concern

Any areas of concern identified from an audit review will result in an audit recommendation being made which is contained within an action plan. These recommendations are graded as high, medium or low; high defined as *“major issues that managers need to address as a matter of urgency”*.

During 2024/25, a total of 104 audit recommendations were made. Further information showing the breakdown of the audit grades and the overall audit opinions can be found at Table 2 on pages 9 – 10. This includes 27 high grade recommendations which had a number of agreed management actions arising from 10 audit reports. These are detailed in Table 3 on pages 10 – 14. The status as at 31/03/25 showed that good progress has been made with implementing the audit recommendations as:

- 14 had been fully completed
- 8 were not yet due
- 5 had revised target dates.

There are no particular trends identified from the high-grade recommendations with regard to the above and these are not considered sufficiently material to impact upon the audit opinion provided at section 2.11.

2.5 Action Tracking

As part of the audit process, all audit recommendations are action tracked to ensure that the management actions were implemented as agreed. Monthly tracking is undertaken whereby individual actions are then tracked once their due date has passed. The results of the action tracking, including delays in achieving the target dates are reported to each meeting of the Audit Committee. During the year, the reporting information was amended to provide details of the open actions by the number of days and action completion rates.

The action tracking process also allows for revision of the agreed action target dates. All actions were either satisfactorily implemented or revised target dates were agreed.

2.6 Quality Assurance and Improvement Programme

Online surveys were undertaken in April and May 2025 requesting feedback on the Internal Audit Service. This involved a number of different stakeholders including client officers who had been subject to an audit review during the

year, Senior Management and Audit Committee members. The questions posed to the client officers covered the quality of the audit service provided whereas the Senior Management and Audit Committee surveys sought to establish if the Internal Audit Service both understood and met their needs. Full details are provided at Appendix 2, but some headline messages include:

- The majority of client officers stated that the audit process through to issue of the final audit report was either “excellent” or “good”. Whilst there were some occasional responses classified as “fair”, there were none recorded as “poor”. In particular, the following responses were pleasing to read:
 - (i) 80.3% reported good or excellent in respect of audit recommendations being helpful in identifying areas for improvement
 - (ii) 85.7% reported good or excellent for the audit report improving business processes and controls
 - (iii) 85.7% reported that the audit was helpful and added value.
- Senior management also reported that Internal Audit had added value, and they were happy with the Internal Audit reports received.
- The responses from the Audit Committee varied. However, only 5 of the 14 Committee Members responded thereby any differences in views could be more pronounced. Further work will be undertaken with the Audit Committee in 2025/26 to improve response rates and enable better analysis of feedback received.

2.7 Governance Arrangements Assurances

As part of the Annual Accounts process, the Chief Executive and the Assistant Chief Executives were asked to provide assurance that the following statements are valid in relation to the Council’s governance arrangements:

- That Financial Monitoring Statements are regularly reviewed at Corporate/ Directorate Management Meetings.
- That Staff have been made aware of Financial Regulations and Contract Standing Orders.
- That Staff have been made aware of the Code of Conduct, Information Systems Security, Fraud and Corruption and Whistle blowing policies.
- That the Directorate has a robust scheme of delegation and that Staff have been informed of their supervisory and accountability responsibilities and that their responsibilities are documented in a Job Description.
- That segregation of duties is an important control mechanism operation within the Directorate and where it has not been possible to operate such a control a suitable alternative is in place.
- That appropriate targets have been established within the Directorate to measure financial and other performance.
- That a formal system of project management, including project governance operates within the Directorate.
- That appropriate arrangements are in place to govern companies.

The necessary assurances were provided and no governance issues highlighted.

2.8 Governance arrangements

The Council has a Local Code of Corporate Governance which follows the format set out in the CIPFA/ SOLACE Guidance Note for Scottish Authorities – Delivering Good Governance in Local Government (2016). This guidance sets

out the seven core principles and their associated sub-principles designed to demonstrate good governance.

The Code of Corporate Governance is reviewed each year and an update on progress in delivering the actions together with the revised annual Code is reported to the Audit Committee in September each year. The 2024/25 Code was approved by the Audit Committee on 28/11/24 and the delivery of the associated actions is planned to be reported to the Committee on 20/08/25.

2.9 Risk Management

Risk management is a key element of Corporate Governance. The Council has a Corporate Risk Management Strategy which demonstrates its commitment to maintaining a structured approach to risk management and ensuring that it effectively manages its risks. This strategy was last reviewed and amended in 2024. This included the creation of a new risk appetite statement which was approved by the Council on 14/03/24.

Overall responsibility for Corporate Risk sits with the Chief Executive. As part of its risk management process, the Council has a Corporate Risk Register which is regularly reviewed. The results of these reviews are reported as a standing item to the Audit Committee.

A new Operational Delivery Plan 2024/25 – 2026/27 was agreed by the Council on 09/05/24. The Delivery Plan, structured under six portfolios, contains a number of workstreams which are then divided into programmes and projects. The Strategy and risk management approach has been applied to each of these programmes and projects with key risks monitored using the Performance and Risk Management System. Updates on management of the risks are provided as part of the regular Delivery Plan update reports to the relevant Strategic Committees. In addition, the Operational Delivery Plan Progress Report 2024/25 was considered by the Council on 15/05/25.

2.10 Compliance with the CIPFA Code on Managing the Risk of Fraud and Corruption

A self-assessment exercise was undertaken last year to assess the extent of the compliance with the CIPFA Code. There was one action required in respect of revising the Anti-fraud and Anti-corruption Policy. This was completed with the updated policy renamed the Counter Fraud Policy and then approved by the Audit Committee on 13/06/24.

There has been no change over the last year, therefore it is considered that the Council's arrangements fully comply with the CIPFA Code.

2.11 Audit Opinion

On the basis of the work undertaken during the year, it is considered that the key systems operate in a sound manner and that there has been no fundamental breakdown in control resulting in material discrepancy. However, as no system of control can provide absolute assurance against material loss, nor can Internal Audit give that assurance, it is the audit opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31st March 2025.

3. INTERNAL AUDIT GRADINGS AND OPINIONS

- 3.1 During the year, a total of 14 final reports were issued. Where the report contains an audit recommendation, this is given a grading of high, medium or low. In addition, the report contains an overall audit opinion which is used to inform the Chief Audit Executive's annual audit opinion. With regard to the individual audit report opinions, there are five levels of assurance which have the following definitions:

Level	Definition
Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
Substantial Assurance	While there is a generally a sound system, there are minor areas of weakness which put some of the system objectives at risk, and/ or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Reasonable Assurance	Whilst the system is broadly reliable, areas of weakness have been identified which put some of the system objectives at risk, and/ or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited Assurance	Weaknesses in the system of controls are such as to put the system objectives at risk, and/ or the level of non-compliance puts the system objectives at risk.
No Assurance	Control is generally weak, leaving the system open to significant error or abuse, and/ or significant non-compliance with basic controls leaves the system open to error or abuse.

- 3.2 Table 2 below, provides a summary of the audit reports issued together with the audit opinion, number of recommendations and a breakdown of the associated grades.

Table 2

Report Name	Report Date	Audit Opinion	Recommendations			
			No.	High	Medium	Low
In-house bus operation income systems	07/05/24	Limited	13	2	11	0
Cheque control arrangements	21/05/24	Reasonable	2	0	2	0
Cessation of Utility Supplies	30/05/24	Reasonable	7	1	4	2
Review of Payroll Control Environment	30/05/24	Limited	10	10	0	0
Business Continuity Planning	10/09/24	Reasonable	5	3	1	1
Procurement Arrangements	11/09/24	Substantial	8	0	3	5

Report Name	Report Date	Audit Opinion	Recommendations			
			No.	High	Medium	Low
Roads Maintenance	12/09/24	Limited	12	4	6	2
Procurement of ICT Cloud Hosted Systems	15/10/24	Reasonable	6	2	4	0
ICT Asset Registers	08/11/24	Limited	6	2	3	1
Common Good Fund asset registers	11/11/24	Substantial	4	0	2	2
Workforce Planning Arrangements	15/11/24	Reasonable	6	1	5	0
CPO Supervision	16/01/25	Reasonable	5	1	4	0
Efficiency of debt recovery arrangements	21/01/25	Reasonable	10	0	5	5
Review of Health & Safety Arrangements	21/01/25	Reasonable	10	1	8	1
Totals			104	27	58	19

- 3.3 Table 3 below provides further details of any high-grade recommendations made during the year and if the original target date has passed and the action was not fully implemented, further information on the current status is provided.

Report Name	No. High	Action Status			Current Status
		Complete	Not yet due	Revised	
In-house bus operation income systems	2	1	0	1	<p>A clear strategy (business and financial) for the in-house bus service should be developed to ensure it can benchmark the cost avoidance model and deliver the intended performance and outcomes. This requirement is acknowledged as being essential to inform the new operating model when the project transitions from its pilot status.</p> <p>Discussions at a senior strategic level to develop this are already taking place and a report is to be brought back to E&I Committee. (Target date 30/11/24, Revised action date 30/06/25).</p>
Cessation of Utility Supplies	1	0	0	1	<p>Management should ensure that the Concerto "Vacant/Potentially Vacant" (PV) report is reviewed following comparison with the Asset Management Plan/analysis and after discussion with key officers/Service to ensure that all properties have been included.</p>

					<p>The new Strategic Asset Management Board (SAM) has now been reformed as of 28/03/25, being chaired by Chief Officer, Property and Assets and the Depute Chair is the Service Lead, Asset Management and Community Property. All Council Service Clusters are represented on the SAM Board. The revised Void Property Management Procedure will be taken to the SAM Board for approval. The energy team will be advised as part of this process if utilities are to be shut down on an interim or permanent basis.</p> <p>Void properties will be flagged on Concerto as becoming void and a list of void properties will be monitored by the SAM Board for repurposing, community asset transfer or Disposal. Estates Officers and Maintenance Officers will be tasked with monitoring void properties within their geographical areas. (Target date 31/03/25, Revised action date 31/08/25).</p>
Review of Payroll Control Environment	10	7	3	0	<p>These actions have a target date of 30/04/25:</p> <ul style="list-style-type: none"> i. Review the process to prepare salary budget profiles and confirm these against the 'establishment' to ensure completeness and accuracy of all salary budgets. A review will be undertaken of the process to prepare salary budget profiles and confirm these against the 'establishment'. This will include the alignment of the new service structures and the implementation and development of the new Finance system. ii. Review and revise the existing processes to best identify the process, functions and skills required to effectively administer and recover overpayments on a timely basis from payroll. A review of the existing ledger coding structure will be undertaken to support systematic reporting and monitoring. iii. Management should ensure that the review of an integrated system can deliver a more effective system-based approach to administering employee changes and reducing the risk of overpayments from payroll. This should better enable the

					calculation, administration, recovery, monitoring, and reporting of any overpayments from payroll. Process improvement is also currently being addressed as part of the HR and Payroll project).
Business Continuity Planning (BCP)	3	1	1	1	<p>There is one revised date and one not yet due:</p> <ul style="list-style-type: none"> i. A BCP should be put in place for each of the 3 new service clusters (People, Place, Corporate) Where existing Service BCP information is used to form these plans, it should be checked and updated where necessary. Services should ensure that contact information is up to date and regularly reviewed. Once finalised, all BCPs should be stored centrally on the Gold Group Emergencies HUB SharePoint site and also held in hard copy within Services. Although significant progress has been made. This is particularly true of the Corporate Cluster where service arrangements under all 5 Chief Officers have been reviewed since the publication of the Audit Report. Given that work is ongoing, and momentum exists, the deadline has been extended to allow for the full completion of this action. (Target date 31/12/24, Revised date 15/11/25) ii. All BCPs should be exercised (tested) annually with a focus on key risks and documented evidence held of completion. Chief Officers will ensure that BCPs are exercised (tested) annually and documented evidence of completion will be retained. (Target date 31/05/25).
Roads Maintenance	4	3	0	1	<p>Management must prepare, approve and distribute a suite of policies, procedures and guidance that will allow all roads teams to manage and control their activities in a transparent and consistently controlled manner.</p> <p>We recognise a re-structure is required to enable greater consistency across the teams, and to facilitate more collaborative working and sharing of resources to deliver greater efficiencies. When the re-structure is complete the agreed approach to the</p>

					management and control of roads activities will be documented and rolled out to all teams. (Target date 30/06/25).
Procurement of ICT Cloud Hosted Systems	2	1	0	1	The process should be formalised to improve transparency, accountability and ensure consistent application of the process. ICT Application Support Model will be formally introduced and applied initially to all new procurements. (Target date 31/03/25, Revised date 31/05/25).
ICT Asset Registers	2	0	2	0	Both of these actions are not yet due until 30/06/25. i. Processes for managing ICT asset registers (on the CMDDB) should be reviewed to ensure they are fit for purpose. ICT Services will conduct Asset management process review to ensure current documentation is fit for purpose, changes where required will be made to improve process. ii. The CMDDB should be kept up to date and reconciled to stock held to ensure that "instore" is an accurate record of assets that are held by ICT Services that can be issued to end users. An asset management process review will ensure current processes are fit for purpose; changes where required will be made to improve process. A review of operational status options will be carried out so they can be used more effectively. A stock review will be implemented every 6 months.
Workforce Planning Arrangements	1	1	0	0	Action completed.
CPO Supervision	1	0	1	0	This action is not due until 30/06/25. Management must ensure that: <ul style="list-style-type: none"> social workers record all aspects of individual supervision on the CareFirst system and the evidence that supports their compliance with the Community Payback Order Practical Guidance is retained and available for management review. social workers record explanations in cases where the supervision requirements of the Community Payback Order

					<p>Practical Guidance cannot be followed, and these explanations should be subject to supervisory review; and</p> <ul style="list-style-type: none"> • where necessary further training, support and guidance is provided for social workers. <p>The management team through our QA framework has already identified some of these issues and individual Social Workers are being supported to make sure all data is available. We have been able to identify certain areas of the CMP review process in which Team Managers require more information, and the current paperwork will be amended to reflect these needed changes. A refresher training will be provided to all Social Workers.</p>
Review of Health & Safety Arrangements	1	0	1	0	<p>This action is not due until 27/06/25.</p> <p>A programme of regular compliance monitoring should be put in place as per the OHSW Policy and adherence should be monitored.</p> <p>A programme of regular work has been restricted due to H&S Adviser vacancies (2.6FTE). Recruitment to these vacancies is actively being pursued. The OHSW Team will continue to carry out workplace inspections both proactively and reactively based on risk with existing resource and statutory requirements to ensure there are no statutory breaches.</p>
Totals	27	14	8	5	

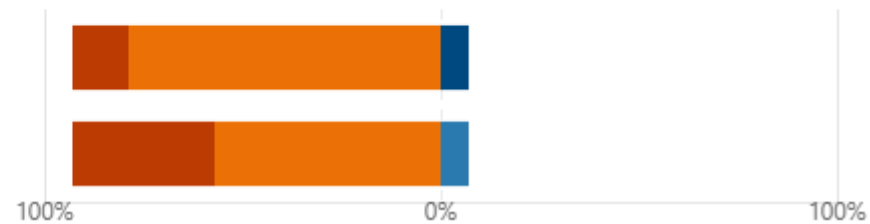
Client officer audit feedback forms

1. Audit Planning

■ Excellent ■ Good ■ Fair ■ Poor

Was the audit process, purpose and scope communicated and explained?

Did the scope cover the significant business areas / objectives and key risks?



2. Audit Process

■ Excellent ■ Good ■ Fair ■ Poor

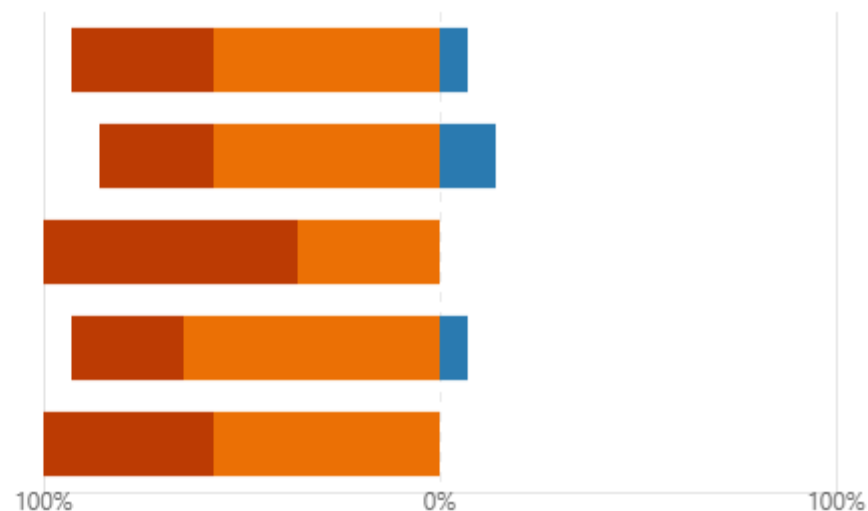
How satisfied were you with the level of communication during the audit?

How satisfied were you that the audit was conducted with minimum disruption?

Was the auditor independent and objective in their approach to the work?

Did you get the opportunity to discuss and respond to key issues throughout the audit?

Did the auditor demonstrate competency (honesty and professional courage) in performing the audit...



3. Draft Report

■ Excellent ■ Good ■ Fair ■ Poor

Was there sufficient opportunity provided to comment on draft audit findings and...



4. Was an opportunity provided to meet and discuss the draft report?

Yes	14
No	0



5. Final Report

■ Excellent ■ Good ■ Fair ■ Poor

Was the report balanced in terms of identifying, key findings, appropriate good practices and areas of...

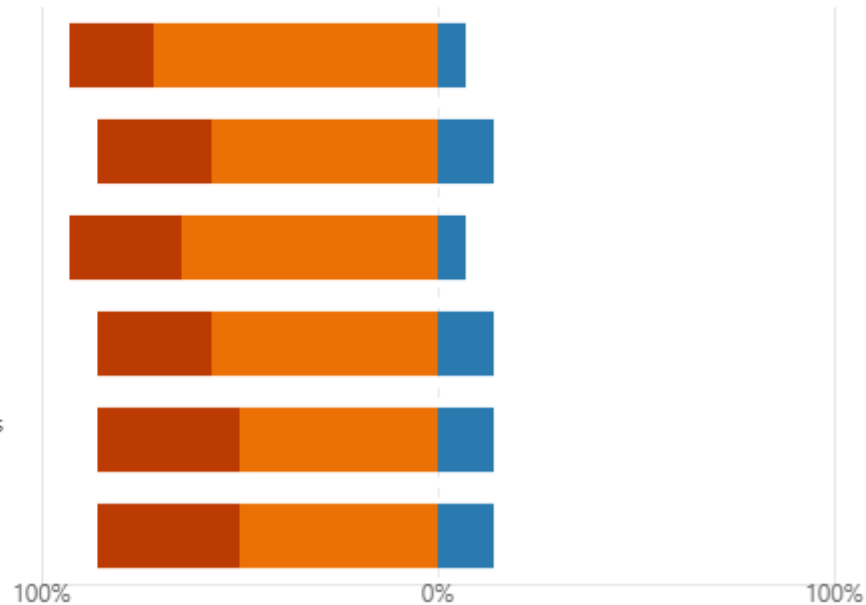
How would you rate the clarity and objectivity of the audit report?

How would you rate the accuracy of the audit report findings?

Were the audit recommendations helpful to identify areas for improvement?

How useful was the audit report in improving business processes and controls?

Was the audit on the whole helpful and did it add value?



6. If you have marked any of the questions as Poor, please would you detail why in the space below.

In response to the fair rating - although the previous CGF officer, responded mostly to the audit requests, she did have to spend quite a bit of time collating the information and evidence.

7. If you have any comments on how Internal Audit could be improved or have observations on the general manner in which the audit was conducted or any areas that would benefit from future audit review, please comment in the space below.

- I have tried to answer the questions as best I can, but it was the previous postholder who responded to the main information gathering, liaising with the Auditor and answering questions. I remember there were several conversations and emails to which I was involved with some. But overall the audit has highlighted areas of work that needed to be improved which is welcomed, and there are now processes in place.
- Good relationship with auditor and I feel we had fair discussions around the areas we felt were not a true reflection of the service. Lots of learning from the audit that has been useful in the department.
- More observation about the audit which would help to explain the 'good' rather than 'excellent' responses. The audit was a direct response to the Audit Scotland on WFP and I hadn't appreciated there would be an additional internal audit with further actions. From memory this was an urgent piece of work which required a quick turnaround. Opportunity to meet was on basis of any significant changes required. As this was driven by findings from Audit Scotland, and issued to ACEs as well as myself.
- The issue of salary overpayments was discussed with audit well in advance of internal audit report being progressed. Improving business processes would have been higher, however some actions were already in place.
- Clearer scope of the audit. Pre-viewing audit questions to allow for prep work to have documents available during discussions
- The subject is complicated and required a lot of explanation on processes, statutory and non-statutory duties. The report itself was helpful to the service however it was a complex area for committee review. It also demonstrated that our own QA and Performance audits do work as we had similar results.

Senior management feedback

1. Is Internal Audit's role well understood within your area of responsibility?



2. Has there been sufficient pre-planning and co-ordination with you by Internal Audit?



3. Has Internal Audit discussed its approach and major areas of audit focus with you for the year ahead?



4. Have you raised any major areas of concern during the year that have not been reviewed by Internal Audit?



5. Assess the strength of Internal Audit's understanding of the Council's risk environment?

● Strong	2
● Adequate	0
● Needs improvement	0



6. Has Internal Audit consistently demonstrated independence in its deliberations?

● Yes	2
● No	0



7. How responsive has Internal Audit been to your service cluster's needs, including requests for special investigations?

● Strong	1
● Adequate	1
● Needs improvement	0



8. Have the Internal Audit reports you have received this year been:

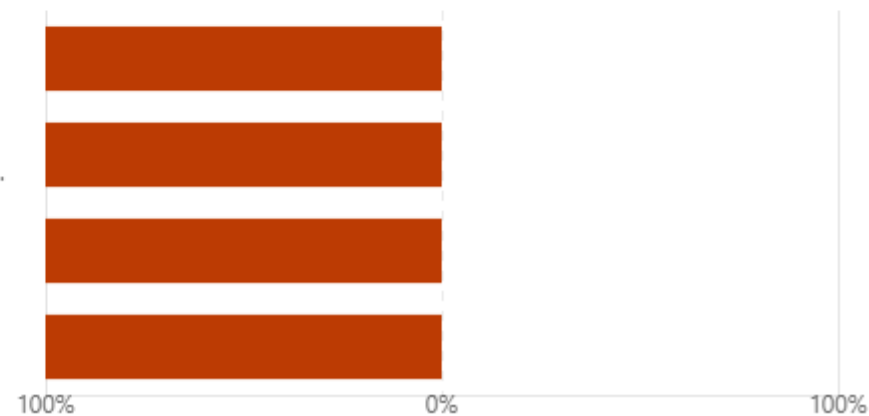
■ Yes ■ No

Relevant, clear and constructive?

Sufficiently detailed to provide assurance that the necessary audit work has been carried out to suppor...

Sufficiently detailed to enable effective management action?

Issued on a timely basis?



9. Has Internal Audit provided sufficient and timely information to assist you in ensuring agreed management actions are implemented in your service cluster?



10. Do you have any major unresolved disagreements with Internal Audit?



11. Has Internal Audit added value to your service cluster?



12. If yes, in what ways has Internal Audit added value to your service cluster?

Clear and concise reports and recommendations. Engagement on audit work plans and audit scope. Supportive in prompting on action tracking/responses.

The action plans include actions that are not just purely on improving governance but also informing service/process improvement too. For example, the recommendation to change responsibility for salary overpayments to the debt recovery team. I really like to see actions that are not just about improving governance. Audit staff will see ways in which we can do things better too and I like to see the courage and empowerment to make such recommendations beyond "just" governance.

Audit Committee feedback

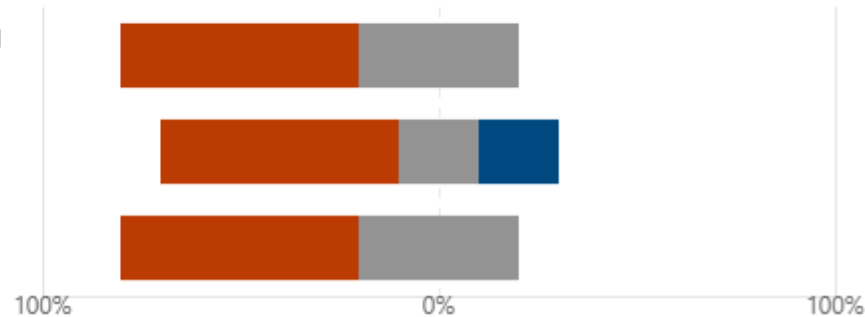
1. How well does Internal Audit demonstrate that it:

■ Strong ■ Adequate ■ Needs improvement

Has a strong understanding of the responsibilities and operation of the Audit Committee?

Understands the expectations of the Audit Committee?

Understands the Council's business and risk environment?



2. How would you assess the Audit Committee's confidence in Internal Audit?

● Strong 2
● Adequate 3
● Needs improvement 0



3. Evaluate Internal Audit's openness in communications with the Audit Committee, including for difficult or contentious issues?

● Strong	1
● Adequate	3
● Needs improvement	1



4. Evaluate the quality, relevance and clarity of Internal Audit reports/papers considered by the Audit Committee.

● Strong	2
● Adequate	2
● Needs improvement	1



5. Does Internal Audit promptly advise the Audit Committee about significant issues and developments?



6. Does Internal Audit promptly advise the Audit Committee about significant changes to the Internal Audit plan?



7. Evaluate the strength of Internal Audit's process for monitoring the status of agreed management actions (Action Tracking).

Strong	2
Adequate	2
Needs improvement	1



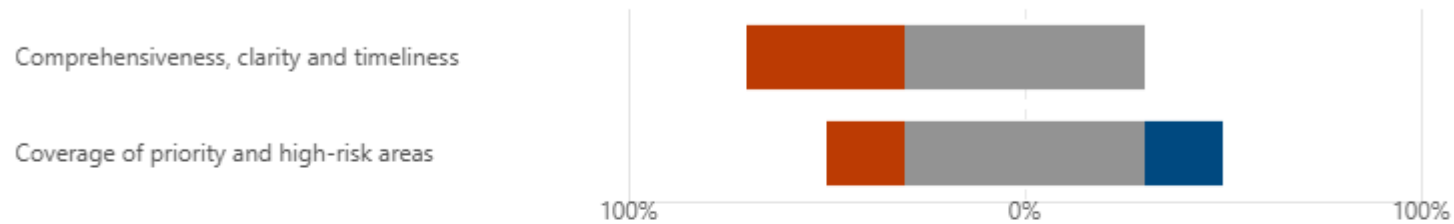
8. Has Internal Audit contributed to the Audit Committee's understanding of the overall assurance framework within the Council?

Yes	5
No	0



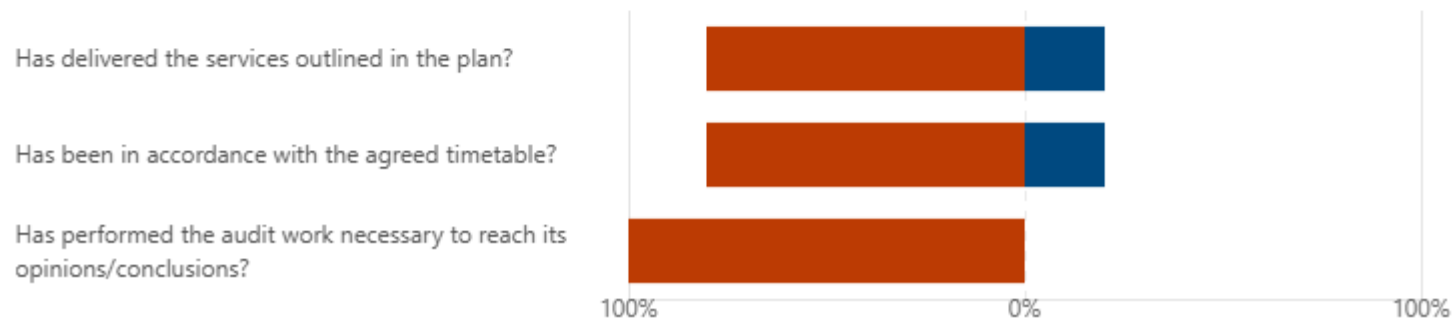
9. Assess the quality of the Internal Audit plan in terms of its:

Strong Adequate Needs improvement

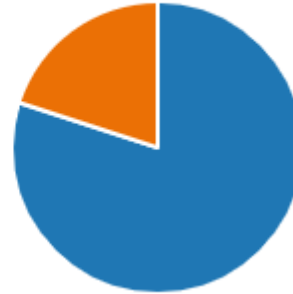


10. Is it clear from its reporting to the Audit Committee that Internal Audit:

Yes No



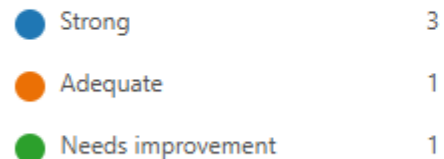
11. Do you consider that internal audit has added value to the Council?



12. If yes, in what way has Internal Audit added value to the Council?

- It is another line of safeguarding and monitoring the financial and processes of the HC
- It has given confidence to the council of good practice and financial control.
- Personally I find keeping track of all Council business is impossible but internal audits give an assurance and insight which improve operations and assist managing risks, hence building confidence that things are moving in the right direction / or wrong as the results may show
- Improvements are recommended when an audit is reported

13. How would you assess Internal Audit's overall performance?



14. If answering Adequate or Needs Improvement above, please provide information on any areas for improvement?

In my opinion the reports could come to the relative points much earlier in the reports, some not all reports are too lengthy and reading off the screen at reports and tables can be very difficult for members to follow.

15. Please provide information on any further areas where you feel that Internal Audit could improve its service?

Paper copies would help some members.