



Runnymede Borough Council

Indicative Audit Strategy 2022/25 and Annual Plan 2022/23

2022/23

Standards and Audit Committee – 25 January 2022

JANUARY 2022

FINAL



OVERVIEW

Introduction

The Audit Plan for 2022/23 has been informed by a risk assessment carried out across our Local Government clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

This year will continue to be another challenging year for Local Government in terms of funding, managing additional recruitment and technological advancement. There are a number of operational issues that have also come to prominence; we have identified a number of key areas which require consideration when planning internal audit coverage.

“Multi-channel” resident engagement: Partly as a result of COVID-19 but also as process changes through improved technology, councils will need to embrace cutting edge technology. Adopting a multi-channel approach to resident engagement will enable council services to be more readily available, more accessible and more transparent.

Commercialisation: Councils are being driven towards being more self-sufficient and cost effective, with pressure to close funding gaps and rebalance budgets. Councils will already be operating in different financial and more commercial environments. The pandemic is likely to have brought significant unforeseen risks to these investments and their underlying assumptions.

Cyber Security: As more services move on-line, risks and vulnerabilities are likely to increase. Cyber security is as much about awareness and behaviours as it is about network security. Resilience needs to be regularly and stringently stress tested across the organisation to ensure it is operating effectively.

Council mergers: Reorganisation is very much back on the table with central government inviting submissions for locally-led proposals for unitary government. The merger process itself and the cost of any redundancies is likely to add to short-term financial pressures. Mergers don't just involve the transfer of assets but also liabilities and risks; there needs to be certainty that the outcome will lead to better public services and the identified efficiencies.

Financial Viability: As we emerge from the clutches of the pandemic and some degree of normality returns the supporting grant aid will end and local authorities will be faced with the reality of unbalanced medium term financial plans without including significant potential savings. Realisation of these savings could be challenging and if not achieved at the outset will fail to provide the funds needed to retail a balanced budget.

Staff Wellbeing: COVID-19 has led to mental health declines, increased work demands and feelings of loneliness due to remote working. Staff turnover is at an all time high. Managing the wellbeing and associated risks is crucial to ensure a stable workforce.

Climate Change: Around 300 councils have declared a climate emergency. Councils are taking action to reduce their own carbon emissions and working with partners and local communities to tackle the impact of climate change on their local area.

Providing Assurance during the COVID-19 pandemic

From the outset, we successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. We continue to consider any gaps in control or exposures that have arisen as a result of this. Whilst many measures have largely been relaxed, it is not inconceivable that further measures might be implemented to stem any increases in cases. We continue to adopt a hybrid approach with a mix of remote and on-site working and tailor this approach to client requirements and the nature of each assignment.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2022/23 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the Local Government's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

INTERNAL AUDIT PLAN

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2022/23, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the Local Government and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing Runnymede BC. We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix A) and the Annual Plan (Appendix B) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and Runnymede BC. This number of days is fixed and it is TIAA’s responsibility to deliver the Audit Plan for this number of days. Where Runnymede BC agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Assistant Chief Executive and will be clearly set out in the terms of reference for the additional review(s).

Release of Report

The table below sets out the history of this plan.

Date plan issued:	January 2022
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APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Type	2021/22	2022/23	2023/24	2024/25
Corporate Services and/or Council Wide Audit					
Commercial Property	Assurance		✓6	✓6	✓6
Commercial Rents	Assurance		✓6	✓6	✓6
Data Quality	Assurance	6		✓6	
Absence Management	Assurance	6			✓6
Recruitment	Assurance		✓6		
Communications	Assurance	6		✓6	
Procurement/Contracts	Assurance		✓6		✓6
Project Management	Assurance				✓6
Climate Change	Assurance		✓6		
Agile Working	Assurance			✓6	
Performance Management	Assurance				✓6
Equality, Diversity and Inclusivity	Assurance			✓6	
Risk					
Risk Management Framework	Assurance	6		✓6	
Business Continuity	Assurance	6		✓6	
Law & Governance					
Governance – Gifts and Hospitality	Assurance		✓6		
Governance – Corporate	Assurance			✓8	
Freedom of Information	Assurance	6			✓6
Data Protection & Information Governance	Assurance		✓6		
ICT					
ICT – Contracts Management	Assurance	8			

Review Area	Type	2021/22	2022/23	2023/24	2024/25
ICT - Software asset management	Assurance	8			
ICT – Service Desk	Assurance		✓8		
ICT – Virtual / Cloud based approach to DR	Assurance		✓8		
ICT – Contingency	Assurance			✓16	✓16
Finance and Resources					
Key Revenues Controls: -Housing Benefits and Council Tax Support -Business Rates -Council Tax	Assurance	20	✓20	✓20	✓20
Key Financial Controls: -Accounts Payable (Creditors) -Accounts Receivable (Debtors)	Assurance	12	✓12	✓12	✓12
Income – Cash & Bank	Assurance		✓6		✓6
Main Accounting (General Ledger)	Assurance	6	✓6	✓6	✓6
Payroll	Assurance	8	✓8	✓8	✓8
Budgetary Control	Assurance		✓6		✓6
Capital Accounting and Asset Management	Assurance		✓6		
Treasury Management	Assurance	6		✓6	
Insurances	Assurance			✓6	
Customer Services	Assurance	6			✓6
Benefits and Savings Realisation	Assurance			✓6	
Planning and Environment					
Depot (including Trade Waste)	Assurance		✓6		✓6
Car Parking	Assurance		✓6		
Development Management and Enforcement	Assurance	6			✓8
Building Control	Assurance			✓6	

Review Area	Type	2021/22	2022/23	2023/24	2024/25
Licensing	Assurance			✓6	
Section 106/CIL	Assurance	10		✓8	
Housing Services					
Housing Rents	Assurance	6	✓6	✓6	✓6
Housing Allocations and Homelessness	Assurance		✓6		
Housing Health and Safety	Assurance	4	✓5		✓6
Housing Repair and Maintenance	Assurance	4		✓6	
Housing Enforcement	Assurance	6			✓6
Sheltered Accommodation	Assurance	6			✓6
Community Development & Community Services					
Leisure Contract	Assurance		✓6		
Community Transport	Assurance				✓6
Community Safety	Assurance			✓6	
Community Grants	Assurance		✓6		
Safeguarding/Prevent	Assurance			✓6	
Other					
Follow Up	Follow Up	12	✓12	✓12	✓12
Management and Planning					
Annual Planning	Management		✓	✓	✓
Annual Report	Management		✓	✓	✓
Audit Management	Management		✓	✓	✓
Total Days		164	[175]	[192]	[178]

APPENDIX B: ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
1	Commercial Property	Assurance	6	Failure to maintain tenancies and to generate the projected return on investment will have significant financial consequences for the Council. The review will focus on the governance and reporting arrangements, project management and budgetary control for a number of key redevelopment projects.		
1	Commercial Rents	Assurance	6	Commercial Rents are becoming a major income stream for the Council and an annual audit is required to provide assurance that all rents are collected in accordance with the rental/lease agreement. The review will focus on the processes for ensuring that all commercial rents are appropriately recorded, the database of commercial properties is accurate and up to date, and testing a number of commercial properties to confirm that rents are paid in accordance with their agreement.		
1	Governance – Gifts and Hospitality	Assurance	6	<p>Transparency of the receiving of gifts and hospitality is fundamental to the governance arrangements at the Council. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> • The gifts and hospitality policy and procedures are clearly outlined for staff and members; • Staff and Members’ gifts and hospitality registers are maintained and are up to date; • Gifts and Hospitality disclosures by staff and Members are reviewed by the Council’s Standards Committee; • Members’ gifts and hospitality declarations are available for inspection by members of the public on the Council’s website. 		
1	Community Grants	Assurance	6	<p>A periodic review focusing on the process for awarding grants and monitoring compliance with grant funding conditions. Key areas will include:</p> <ul style="list-style-type: none"> • Appropriate records are maintained to verify applicant eligibility; • Grants are appropriately approved by committee or delegated officers; • All monies expended are done so in accordance with the grant agreement; • There are adequate controls in place with regard to how grant money is spent; and • Adequate budget monitoring and management of grants awarded takes place. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
1	Leisure Contract	Assurance	6	<p>A periodic review of the controls in place for managing the contracts for the provision of leisure facilities. The audit will focus on the following areas:</p> <ul style="list-style-type: none"> • An appropriate contract is in place, which sets out key performance indicators / performance targets; • Variations are controlled in accordance with contractual provisions; • Performance management and monitoring processes are in place and are robust enough to ensure compliance with performance standards; • Contract clauses, such as penalties and deductions, are outlined and enforced; • Payments are made accurately in line with contractual arrangements; • Management information on contract performance is provided and regularly reviewed; and • Adequate budget controls are in place. 		
1	Housing Allocations and Homelessness	Assurance	6	<p>A periodic review focusing on the processes in place for managing the housing register and allocations, and the prevention/relief of homelessness. Key areas will include:</p> <ul style="list-style-type: none"> • Housing Register applications are adequately assessed, with priority bandings allocated to prospective tenants in accordance with procedures; • Properties are allocated to those with the highest priority need. Where properties are offered other than to “next in line” appropriate reasoning is recorded; • Statutory homeless applications are adequately assessed, with senior officer review of homelessness duty decisions; • The information provided to applicants is clear, and sets out both applicant responsibilities and options for assistance (e.g. Housing Benefit); • Appropriate performance indicators are in place and regularly reviewed; and • Management are provided with regular updates of the performance of the service in order to be able to take action to address any issues identified. 		
2	Car Parking	Assurance	6	<p>A periodic review focusing on the management of car park income. The review will include the following key areas:</p> <ul style="list-style-type: none"> • Car park charges are periodically reviewed and benchmarked to surrounding areas; • Arrangements for the collection, recording and banking of all car park income, and the adequacy of records being maintained; • Adequate parking enforcement arrangements are in place to ensure maximisation of income; • All income received is adequately protected from loss; and • Adequacy of budget monitoring, performance management, and reporting arrangements. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
2	Recruitment	Assurance	6	<p>A periodic review to assess the adequacy of the controls in place for for managing the recruitment process. The audit will include the following key areas:</p> <ul style="list-style-type: none"> • Roles and responsibilities for initiation of the vacancy and the management of the recruitment process are clearly defined; • Appropriate training has been carried out for line managers to ensure compliance with procedures; • Adequate records are maintained for all recruitment exercises; • Sample testing to verify compliance with procedures relating to: advertising and openness; shortlisting; interview and evaluation process for selection; approval processes; job offer and acceptance; pre-employment checks; employment contracts; and probationary period appraisals. • Appropriate procedures are in place to deal with complaints from applicants; and • Appropriate management reporting is in place. 		
2	Housing – Health and Safety	Assurance	5	<p>Appropriate and adequate Health and Safety for Housing is a critical requirement. Previous audit reviews identified a number of initiatives regarding Health and Safety requirements as work in progress. The audit will review the findings of the previous audits and examine and test the arrangements for Health and Safety that should be in place for 2022/23 onwards.</p>		
2	Data Protection & Information Governance	Assurance	6	<p>To review the adequacy of the Information Governance arrangements in place at the Council and compliance with Data Protection legislation. Key areas to be reviewed include:</p> <ul style="list-style-type: none"> • Governance arrangements, data security and breach management; • Privacy Notices • Records of Processing Activities and Information Asset Registers; • Data Subject rights; • Data Protection Impact Assessments; • Data Processors. 		
2	Depot (including Trade Waste)	Assurance	6	<p>The Depot provides fundamental services for the Council and its failure would be detrimental to the provision of vital services. Follow earlier audit reports, the change in Depot Manager and delays caused by COVID 19 this will be a follow up audit to our previous audit work and recommendations. The audit will review the findings/outcomes of the 2019/20 and 2020/21 audits and examine and test the arrangements that should be in place to remedy the weaknesses identified in those earlier reports.</p>		
2	ICT – Service Desk	Assurance	8	TBC		ICT
2	ICT - Virtual / Cloud based approach to DR	Assurance	8	TBC		ICT

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
3	Key Revenues Controls	Assurance	20	<p>Failure to operate the key revenue streams in a satisfactory manner will lead to a loss of income. This is a key audit risk area, and an annual audit is carried out to assess the adequacy and effectiveness of the internal controls in place at the Council for managing the following key systems:</p> <ul style="list-style-type: none"> • Council Tax • Non- Domestic Rates • Housing Benefits, and • Council Tax Support 		
3	Key Financial Controls	Assurance	12	<p>Failure to manage the key financial systems for the Council will lead to a loss of income and reputational damage. This is a key audit risk area, and an annual audit is carried out to assess the adequacy and effectiveness of the internal controls in place at the Council for managing the following key systems:</p> <ul style="list-style-type: none"> • Accounts Payable (Creditors) • Accounts Receivable (Debtors) 		
3	Payroll	Assurance	8	<p>Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit. The audit will focus on the internal controls in place to ensure that:</p> <ul style="list-style-type: none"> • Payroll data is supported by proper documentation, properly authorised, and subject to satisfactory segregation of duties; and • Reasonableness checks and regular reconciliations are carried out. 		
3	Budgetary Control	Assurance	6	<p>Budgetary Control is a fundamental financial process that is audited every other year. Key control objectives that will be considered as part of this audit include:</p> <ul style="list-style-type: none"> • Formally approved budgets are set each year, taking into account all relevant income and expenditure; • The financial management system accurately reflects the agreed budgets; • Budgets are allocated to individuals at an appropriate level, with monitoring responsibilities clearly outlined; • All budget adjustments (including virements) are authorised; • Budgets are adequately monitored and regularly reported, with reasonable variance levels being set which trigger action and explanation; • Appropriate financial reserves are maintained in line with assessed risks. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
4	Income – Cash and Bank	Assurance	6	<p>The review will assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Income (Cash & Bank) function, focusing on the following key areas:</p> <ul style="list-style-type: none"> • System access is restricted to authorised personnel only; • Adequate controls are in place to ensure amounts received are accurately and promptly banked; • Adequate security is in place to manage all cash received and banking arrangements; • Regular reconciliations are carried out between the cash receipting system, the general ledger and the Council’s bank account; and • All items posted to suspense accounts are checked and regularly cleared. 		
4	Capital Accounting and Asset Management	Assurance	6	<p>The review will assess the adequacy and effectiveness of the controls in place at the Council relating to:</p> <ul style="list-style-type: none"> • The approval and monitoring of the capital programme / capital expenditure; • The maintenance of appropriate asset management records, with acquisitions and disposals recorded promptly; • Regular revaluations of fixed assets are undertaken; • Periodic reconciliations are undertaken between the Fixed Asset Register and the General Ledger; and • Periodic physical verifications of tangible fixed assets take place. 		
4	Main Accounting (General Ledger)	Assurance	6	<p>This is the main financial ledger and an important system for the Council which is audited annually. Key areas for the review include:</p> <ul style="list-style-type: none"> • Adequate policies and procedures are in place and accessible to all relevant staff; • Access to Total Finance is restricted to authorised personnel only and the system is appropriately backed up; • Financial information is produced which meets all legal/reporting requirements on a timely basis; • Journal entries are supported by adequate narrative, with appropriate separation of duties in place; • New ledger codes/amendments are supported by appropriate authorisation; • Suspense accounts are regularly reviewed and cleared; and • Opening balances are brought forward promptly and accurately 		
4	Housing Rents	Assurance	6	<p>Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit. The audit will focus on the internal controls in place to ensure that:</p> <ul style="list-style-type: none"> • Rents due are being collected and promptly allocated to the correct rent accounts, • Benefits awarded are being properly allocated to the correct rent accounts; and • Case records provide a management trail and complete case history. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
4	Climate Change	Assurance	6	<p>This is an area of increasing risk significance amid the Government’s commitment to net zero carbon emissions by 2050. If the Council is not seen to be taking action or working towards government targets this may lead to reputational damage. Key areas for the review include:</p> <ul style="list-style-type: none"> • A Corporate Strategy is in place for tackling Climate Change, with roles and responsibilities clearly defined and an associated action plan in place; • Climate Change considerations are embedded into corporate decision making, targets and objectives. • Adequate performance monitoring and reporting to senior management and Members is in place. 		
4	Procurement/Contracts	Assurance	6	<p>Key control objectives to be considered during the review include:</p> <ul style="list-style-type: none"> • The control framework is adequate to ensure that procurement exercises comply with the Public Contracts Regulations 2015 and the Council’s Constitution, policies and procedures. • Systems allow for an appropriate audit trail to be maintained for all procurement exercises (including waivers) and appropriate records are maintained in compliance with the Transparency Code. • Value for money is achieved when selecting and awarding contracts to suppliers. 		
1 – 4	Follow-up	Follow up	12	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the Council are implementing recommendations, and providing reports to the Standards and Audit Committee.		
1	Annual Planning	Management	Fixed fee	Assessing the Council’s annual audit needs.		
4	Annual Report	Management	Fixed fee	Reporting on the overall conclusions and opinion based on the year’s audits and other information and providing input to the Annual Governance Statement.		
1 – 4	Audit Management	Management	Fixed fee	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Standards and Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).		
Total days			[175]			

APPENDIX C: INTERNAL AUDIT CHARTER

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within Runnymede BC and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Standards and Audit Committee.

The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Runnymede BC's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All Runnymede BC activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that Runnymede BC management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Standards and Audit Committee or the nominated officer (being the post responsible for the day-to-day liaison with TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of Runnymede BC and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within Runnymede BC and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Standards and Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with Runnymede BC management.

Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and Runnymede BC's requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of Runnymede BC and additional time will be required to carry out such testing. Runnymede BC is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Liaison with the External Auditor

We will liaise with Runnymede’s External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA’s audit charter and PSIAS/IIA standards.

Progress Reports: Progress reports will be prepared for each Standards and Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Follow-Up Reports: We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA’s audit charter and PSIAS/IIA standards. The Annual Report will include a summary opinion of the effectiveness of Runnymede BC’s governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Standards and Audit Committee Responsibility

It is the responsibility of Runnymede BC to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee’s requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Standards and Audit Committee is also approving the Internal Audit Charter.

Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management’s use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA’s audit charter and PSIAS/IIA Standards.	100%