



Runnymede Borough Council

Indicative Audit Strategy 2023/26 and Annual Plan 2023/24

2023/24



MARCH 2023

DRAFT

OVERVIEW

Introduction

The Audit Plan for 2023/24 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 the macroeconomic and financial environment, spiralling costs and the labour market. We have identified a number of key areas which will individually and collectively affect the sector in various ways; these require consideration when planning internal audit coverage.

Macroeconomic and financial environment: The UK economy has experienced a sequence of significant events including Brexit, the pandemic and the conflict in Ukraine. Further challenges lie ahead as the government seeks to cut spending and raises taxes to plug the gap in the UK's finances. Rapid and increasingly prolonged inflation, rising interest rates, shortages in the labour market and continuing supply chain disruption are leading to increased costs and a challenging financial situation for many.

Increasing wage demands: One of the consequences of the economic situation is demands for significant pay increases to help combat the effect of inflation and a perceived lack of pay progression for over a decade. This has seen strike action taking place or planned by rail workers, postal workers, lecturers, bus drivers and nurses. This will put pressure on organisational budgets and present challenges in recruitment.

Cyber security: This continues to be one of the highest ranked risks for organisations and shows no sign of going away. The widespread move to remote working and increased online service delivery has made organisations more vulnerable to phishing, malware, and ransomware attacks, particularly where there has been a lack of investment in infrastructure.

Climate change: Global warming can lead to physical, operational, financial and reputational risks arising. 'Loss and damage' - the phrase used to describe the destruction being wrought by the climate crisis - will remain high on the agenda. Aside from the obvious environmental impact, climate change can stress local economies, threaten business models and pose widespread disruption to organisations.

The impact on local government: Individually and collectively, the current climate will present many challenges for local authorities. Public finances have been under tremendous and historic pressure in recent years and local authorities face significant challenges to their financial sustainability. High levels of inflation and energy costs and higher than expected forecasts of the National Living Wage mean that councils are facing significant additional cost pressures. Transformation and modernisation are essential for councils to make the most of operating and financial efficiencies and seize the opportunities that can come from modern service delivery.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2023/24 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of Runnymede Borough Council'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 2023/24, 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 Runnymede Borough Council 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 Borough Council. 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 Borough Council. This number of days is fixed and it is TIAA’s responsibility to deliver the Audit Plan for this number of days. Where Runnymede Borough Council 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:	April 2023
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APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Type	2022/23	2023/24	2024/25	2025/26
Corporate Services and/or Council Wide Audit					
Commercial Property	Assurance	3	8		8
Commercial Rents	Assurance	6		8	
Data Quality	Assurance		10		
Absence Management	Assurance	12		8	
Recruitment	Assurance	6	8		8
Communications	Assurance				8
Procurement/Contracts	Assurance		10		
Project Management	Assurance				8
Climate Change	Assurance	6		8	
Agile Working	Assurance			8	
Performance Management	Assurance				8
Equality, Diversity and Inclusivity	Assurance				8
Risk					
Risk Management	Assurance		8		
Business Continuity	Assurance			8	
Law & Governance					
Governance – Gifts and Hospitality	Assurance	6			
Governance – Corporate	Assurance		8		
Freedom of Information	Assurance			8	
Data Protection & Information Governance	Assurance	6			8
ICT					
ICT – Contracts Management	Assurance				

Review Area	Type	2022/23	2023/24	2024/25	2025/26
ICT - Software asset management	Assurance				
ICT – Service Desk	Assurance	8			
ICT – Virtual / Cloud based approach to DR	Assurance				
ICT – Contingency	Assurance		12	16	16
Finance and Resources					
Key Revenues Controls: -Housing Benefits and Council Tax Support -Business Rates -Council Tax	Assurance	20	22	22	22
Key Financial Controls: -Accounts Payable (Creditors) -Accounts Receivable (Debtors)	Assurance	12	13	13	13
Income – Cash & Bank	Assurance	6		8	
Main Accounting (General Ledger)	Assurance	6	6		8
Payroll	Assurance	8	10		10
Budgetary Control	Assurance	6		8	
Capital Accounting and Asset Management	Assurance	6			8
Treasury Management	Assurance		6		
Insurances	Assurance				8
Customer Services	Assurance			8	
Benefits and Savings Realisation	Assurance				8
Planning and Environment					
Depot (including Trade Waste)	Assurance	6	8		
Car Parking	Assurance	9			8
Development Management and Enforcement	Assurance				8
Section 106/CIL	Assurance			8	

Review Area	Type	2022/23	2023/24	2024/25	2025/26
Housing Services					
Housing Rents	Assurance	6		8	
Housing Allocations and Homelessness	Assurance	6			8
Housing Health and Safety	Assurance	5		8	
Housing Repair and Maintenance	Assurance		10		
Housing Enforcement	Assurance			8	
Sheltered Accommodation	Assurance				8
Community Development & Community Services					
Community Transport	Assurance			8	
Community Safety	Assurance			8	
Community Grants	Assurance	6	8		
Safeguarding/Prevent	Assurance	6	8		
Meals at Home	Assurance		8		
Other					
Follow Up	Follow Up	12	12	12	12
Management and Planning					
Annual Planning	Management	✓	✓	✓	✓
Annual Report	Management	✓	✓	✓	✓
Audit Management	Management	✓	✓	✓	✓
Total Days		173	175	183	185

APPENDIX B: ANNUAL PLAN – 2023/24

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
1	Data Quality	Assurance	10	<p><u>Rationale:</u> Data Quality is a fundamental requirement for all public sector bodies and a periodic audit will examine the adequacy and appropriateness of data held by the Council.</p> <p><u>Scope:</u> This review focuses on the adequacy and effectiveness of the arrangements in place at the Council for ensuring that data collected is fit for purpose. The audit will focus on the following areas:</p> <ul style="list-style-type: none"> • Follow up of recommendations made in previous Data Quality and Performance Indicators reports; • Policies and procedures are in place to govern the management of systems and ensure that data collected is fit for purpose, including the collection of performance data; • Responsibilities for data quality are clearly defined, with appropriate training in place; and • Data is captured in accordance with relevant data quality requirements (e.g. accurate, valid, reliable, timely, complete, and relevant), with appropriate verification controls in place. To include a review of (i) a sample of performance indicators and statutory returns to ensure these are delivering accurate, timely and accessible information, with appropriate management review, and (ii) a sample of published material to confirm the accuracy of the data included. 		
1	Recruitment	Assurance	8	<p><u>Rationale:</u> A periodic review to assess the adequacy of the controls in place for managing the recruitment process.</p> <p><u>Scope:</u> 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. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
1	Governance - Corporate	Assurance	8	<p><u>Rationale:</u> Good governance processes and procedures are essential to demonstrate that the Council is being run efficiently effectively and with openness and honesty</p> <p><u>Scope:</u> The purpose of the audit is to review the decision making process and what documentation is in place which supports this to confirm that good corporate governance is operating well at Runnymede Council.</p> <ul style="list-style-type: none"> • The review will consider the following governance areas: • The Constitution and Council Standing Orders specific to Runnymede Council • Reporting framework and the decision making by Members • The openness and transparency of decision making within the Council • Record keeping (and data quality) for decisions made by the Council 		
2	Procurement/Contracts	Assurance	10	<p><u>Rationale:</u> This is an important area and subject to potential issues arising that might impact on quality and value for money</p> <p><u>Scope:</u> 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 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. 		
2	Risk Management	Assurance	8	<p><u>Rationale:</u> Risk Management is an important part of the running of the Council and if satisfactorily embedded within the operational processes will assist decision making and optimise the efficiency and effectiveness of service provision.</p> <p><u>Scope:</u> A review that will test the appropriateness and effectiveness of the risk management arrangements at the Council.</p> <p>The review will include assessing the effectiveness of the controls that mitigate the risk for a number of the key operational risks identified.</p> <p>In addition, we will challenge the risk management process and how managers/risk owners use risk management for everyday decision making</p>		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
2	Housing Repair and Maintenance	Assurance	10	<p><u>Rationale:</u> This is a high risk area for the Council as appropriate and adequate Repair and Maintenance for Housing is a fundamental requirement for achieving the decent homes standard..</p> <p><u>Scope:</u> The review will include the following:</p> <ul style="list-style-type: none"> • Policies and procedures • Pre property inspections • Raising Works Orders • Variations • Completions and post completion inspections • Contractor Payments • Tenant satisfaction, and • Performance management and reporting 		
2	Depot	Assurance	8	<p><u>Rationale:</u> The Depot provides fundamental services for the Council and its failure would be detrimental to the provision of vital services A follow up review carried out in 22/23 highlighted a number of important areas where previous recommendations had not yet been fully implemented.</p> <p><u>Scope:</u> The review will focus on following up on the areas which were the subject of previous audit recommendations:</p> <ul style="list-style-type: none"> • The identification and monitoring of operational risks. • Use of the Bartec system and maximising its effectiveness. • Completion of training and maintenance of appropriate training records. • Infrastructure and security arrangements. • Stock checks. <p>A general review will also be carried out in relation to the following areas:</p> <ul style="list-style-type: none"> • Up to date policies and procedures are in place for all staff working at the depot. • The collection of income (including Trade Waste) is adequately controlled. • Appropriate budget monitoring arrangements are in place. • Appropriate performance indicators are in place, which are periodically monitored and reported. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
2	Commercial Property	Assurance	8	<p><u>Rationale:</u> Failure to maintain tenancies and to generate the projected return on investment will have significant financial consequences for the Council.</p> <p><u>Scope:</u> The review will focus on the following areas:</p> <ul style="list-style-type: none"> • governance and reporting arrangements, • project management • budgetary control • a number of key redevelopment projects will be selected as the sample for the audit. 		
3	Community Grants	Assurance	8	<p><u>Rationale:</u> A periodic review focusing on the process for awarding grants and monitoring compliance with grant funding conditions</p> <p><u>Scope:</u> 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 <p>Adequate budget monitoring and management of grants awarded takes place.</p>		
3	ICT Audits (contingency)	Assurance	12	To be determined		ICT

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
3	Key Revenues Controls	Assurance	22	<p>Rationale: This is a key audit risk area. The full audits for the Revenues systems will be undertaken on a systematic basis, however, to provide assurance that the key revenue systems are adequately controlled an annual audit will be undertaken selecting a number of key revenue systems.</p> <p>Scope: To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the following key revenue systems.</p> <ul style="list-style-type: none"> - Council Tax - Non- Domestic Rates - Benefits, and - Council Tax Support <p>The audit will include the following key areas applying appropriate sample sizes to the testing:</p> <ul style="list-style-type: none"> • There are up to date documented procedures; • System access is adequately controlled; • The correct charges/benefits have been applied; • Regular reconciliations are carried out with Valuation Office listings; • Discounts and exemptions are approved by authorised staff and supported by documentary evidence; • Refunds are appropriately approved and authorised prior to payment; • Arrears are promptly identified and pursued and any write offs are valid and authorised; • Suspense accounts are regularly cleared and any exception reports are regularly reviewed; • Benefits overpayments and Revenues arrears are promptly identified; • Systems are adequately monitored and reconciled: and • Annual parameter updates are accurately input and subject to independent review. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
3	Key Financial Controls	Assurance	13	<p><u>Rationale:</u> This is a key audit risk area. The full audits for the financial systems will be undertaken on a systematic basis, however, to provide assurance that the key financial systems are adequately controlled an annual audit will be undertaken selecting a number of key financial systems.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the following key financial systems.</p> <ul style="list-style-type: none"> - Accounts Receivable - Accounts Payable <p>The audit will include the following key areas applying appropriate sample sizes to the testing:</p> <ul style="list-style-type: none"> • Recommendations from the previous audit report have been implemented, • Adequate policies and procedures are in place and accessible to all relevant staff; • System access is restricted to authorised personnel only; • New supplier set up/amendments to supplier details are subject to satisfactory segregation of duties; • Payments are supported by proper documentation, properly authorised, correctly coded, and subject to satisfactory segregation of duties; • Invoices and credit notes are raised following appropriate authorisation, and are actioned promptly and accurately; • Regular reviews of outstanding debtors are undertaken using aged debtor listing, with arrears action carried out promptly in accordance with procedures; • Write-offs are approved by senior officers in accordance with procedures; and • Regular reconciliations are carried out between the purchase/sales ledger module and the general ledger control account. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
3	Main Accounting	Assurance	6	<p><u>Rationale:</u> This is the main financial ledger and an important system for the Councils which is audited annually.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Councils for the financial accounting system (Integra). The review will focus on the following areas:</p> <ul style="list-style-type: none"> • Adequate policies and procedures are in place and accessible to all relevant staff; • Access to the finance system 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 		
3	Payroll	Assurance	10	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Payroll function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> • Recommendations from the previous audit report have been implemented; • Adequate policies and procedures are in place and accessible to all relevant staff; • System access is restricted to authorised personnel only; • 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. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
3	Treasury Management	Assurance	6	<p><u>Rationale:</u> Management of the Council's investments and borrowings is important to maximise revenue income or to reduce revenue expenditure. It is also important to safeguard the Council's investments at all times.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Treasury Management function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> • Adequate policies and procedures are in place and accessible to all relevant staff; • System access is restricted to authorised personnel only and adequate security is in place to manage all treasury management arrangements; • Appropriate controls are in place for identifying surplus funds available for investment and selecting appropriate investments in accordance with the Council's treasury management strategy; • Payments of interest and/or principal are appropriately monitored, correctly received and accurately recorded on the Council's finance system; • Regular reconciliations are undertaken for all treasury management transactions; and • Regular monitoring reports are produced for Senior Management and Members in relation to treasury management transactions 		
3	Meals at Home	Assurance	8	<p>This is a new audit area suggested by the Head of Service.</p> <p>Scope to be developed with Head of Service during quarter 3</p>		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
3	Safeguarding	Assurance	8	<p><u>Rationale:</u> Runnymede Borough Council (alongside Surrey County Council) have a safeguarding responsibility to protect young people and adults at risk from harm, abuse, or exploitation. A follow up review of Safeguarding was carried out in 22/23 which highlighted that, while a new Safeguarding policy had recently been approved, the implementation of the policy and implementation of the recommendations made in the previous audit had yet to occur. It was expected that all recommendations would be fully implemented during the first half of 23/24.</p> <p><u>Scope:</u> The audit will focus on the following areas:</p> <ul style="list-style-type: none"> • Recommendations from the previous audit review have been implemented. • Appropriate procedures are in place for Safeguarding, which are readily accessible as guidance to all relevant staff. • Risks are appropriately captured within service area business plans. • Enquire with staff as to their awareness of the procedure to follow in the event of a Safeguarding concern. • Evidence that a Safeguarding Team and a Safeguarding plan is in place and is monitored. • Disclosure and Barring Service (DBS) check procedures are in place for recruitment of staff and DBS checks are recorded on the HR system. • Evidence that Safeguarding training of all staff takes place and is offered to Members and completed where appropriate. • Safeguarding is included in corporate performance reporting to senior management and Members. 		
1 – 4	Follow-up	Follow up	12	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the local authority are implementing recommendations, and providing reports to the Standards and Audit Committee.		
1	Annual Planning	Management	Fixed fee	Assessing the local authority'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 Borough Council 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 Audit Committee.

Definition of Internal Auditing

Internal auditing is 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 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 Borough Council's senior management and 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 Borough Council's 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 Borough Council's 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.

As well as providing the required level of assurance, TIAA's may engage in consultancy activity that contributes to the overall assurance that can be delivered to the Audit Committee.

TIAA may also conduct any special reviews requested by the Board, 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 Borough Council 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 Borough Council 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 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 Borough Council's 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 Borough Council'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 Borough Council and additional time will be required to carry out such testing. Runnymede Borough Council 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 Borough Council'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.

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.

Audit Committee Responsibility

It is the responsibility of Runnymede Borough Council 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 Audit Committee is also approving the Internal Audit Charter.

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 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 BOROUGH COUNCIL'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 Gratings

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.

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%