

# Internal Audit and the role of Audit Committee

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# What is Internal Audit?



Internal Audit is .....

**“An independent, objective assurance and consulting function that is 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”**

(Public Sector Internal Audit Standards 2017)

Sevenoaks District Council is required to .....

**“undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.”**

(Accounts and Audit Regulations 2015)

# Service Vision



To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

*(IA Service Plan 2021-22)*



# Service Challenges and Priorities

- **Quality - Aligning the service with professional standards**
  - External Quality Assessment
  - Action Plan from quality assurance activity
- **Efficiency - Delivery of the annual audit plan**
- **Customer Service - Modernising the Service**
  - New, emerging and changing risks
  - Flexible and adaptable planning
  - Skills, tools and techniques



# New, emerging and changing risks



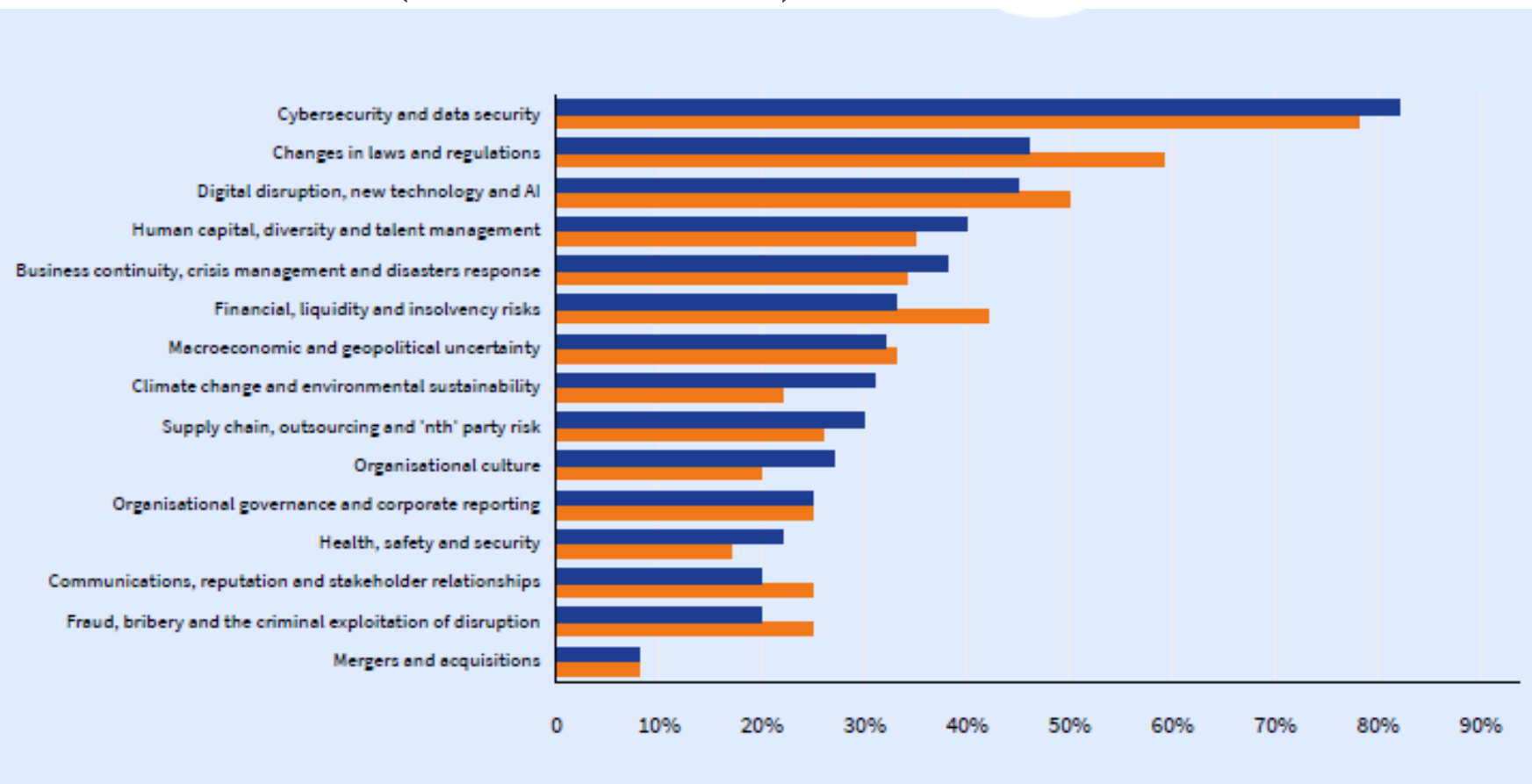
## Risk in Focus (IIA 2020-2021)



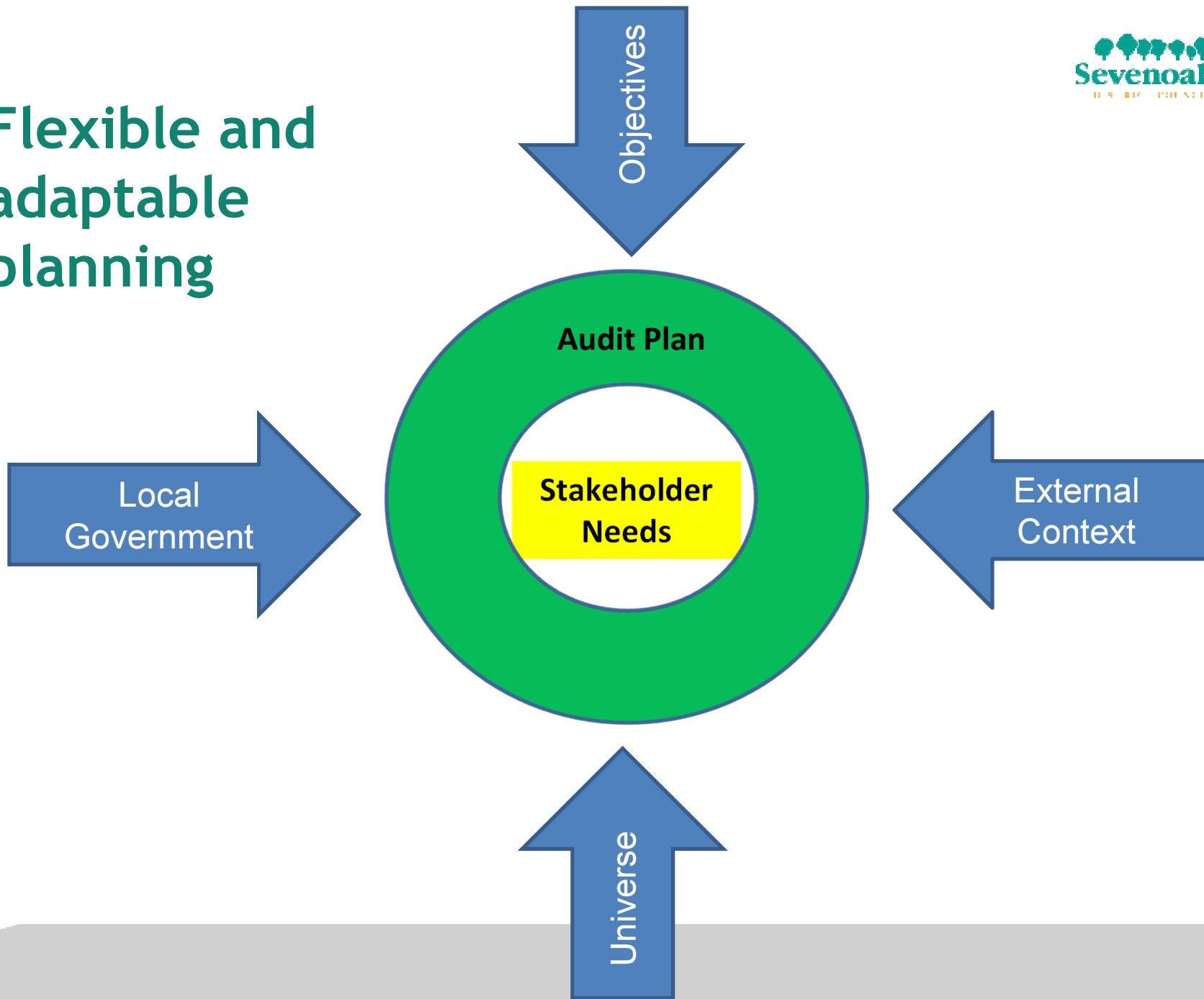
# New, emerging and changing risks



## Risk in Focus (IIA 2021-2022)



# Flexible and adaptable planning



# Skills, Tools and Techniques

## Skill set

- Culture and ethics
- IT
- Root cause analysis



## Tools and techniques

- Data analysis
- Agile auditing
- Real time assurance



# The Role of Audit Committee



- 1) **Oversee independence, objectivity, performance and professionalism:**
  - Approve the Internal Audit Charter, including consideration of safeguards in place where IA undertakes any roles / responsibilities outside IA
  - Review / approve the annual risk based internal audit plan
  - Ensure there are no scope or resource limitations
  - Receive periodic confirmation of independence

# The Role of Audit Committee



## 2) Support the effectiveness of the internal audit process

- Receive updates on outcomes, including key findings, areas of concern and actions
- Receive updates on IA's performance relative to its plan
- Approve any additional significant pieces of consultancy
- Receive regular reports on the results of the Quality Assurance and Improvement Programme (QAIP)

# The Role of Audit Committee



## 3) Promote the effective use of Internal Audit within the assurance framework

- Receive reports outlining where management has accepted a level of risk that may be unacceptable to the Authority
- Consider how Internal Audit makes use of other forms of assurance
- When considering the AGS, take into account Internal Audit's opinion on risk management, governance and control

**Thank you**

Questions?