

LIVE
LEARN
WORK
INVEST
VISIT

Version control

Author	Ken Adamson	Contact	adamsonk@northlan.gov.uk
Owner	Ken Adamson	Contact	adamsonk@northlan.gov.uk

Date	May 2019	Version No.	1	Document status	Draft
-------------	----------	--------------------	---	------------------------	-------

Governance Committee	Audit and Scrutiny Panel	date approved	
Review date	May 2020		

Strategic Alignment
The Internal Audit Strategy outlines how the Council will ensure it operates an effective Internal Audit function as part of robust corporate governance arrangements designed to enable and support the delivery of all Council ambitions and priorities.

Consultation and Distribution Record

Consultation Process		
Stakeholders		
Distribution		

Change record

Date		Author	
Change made			

foreword

Internal audit should provide independent and objective assurance to the Council’s senior management that their systems and controls are fit for purpose.

That assurance should cover the controls over core systems, governance and risk management processes including financial and operational controls. At the heart of this governance work is assurance on management’s controls over the quality of the information which senior management and elected members use to make decisions and monitor performance. As local government adapts to new strategic-level ambitions, responds to challenging financial pressures and redefines its operating models, internal audit needs to recognise these changes and have the capability to respond.

A good internal audit service gets to the heart of the issues facing the organisation. By directly reporting to the Chief Executive and the Council’s Audit and Scrutiny Panel, internal audit is able to give honest and clear information without being influenced by other senior staff seeking to manage the message. In doing this work, internal audit has the responsibility to act as the ‘eyes and ears’ of the Chief Executive and the Audit and Scrutiny Panel in the organisation providing an independent view of where better management of risk can improve organisational performance.

We are pleased to present the Internal Audit Strategy which lays the foundation for the delivery of an effective internal audit function focused on helping to support senior management and the Council in delivering the Plan for North Lanarkshire and the ambition to make North Lanarkshire THE place to Live, Learn, Work, Invest and Visit.

Ken Adamson
Audit and Risk Manager

Councillor Gallacher
Convener of Audit and Scrutiny Panel

introduction

1. Introduction

In this document, we set out our strategy for 2019-20 to 2021-22. This remains a very uncertain and challenging time for the Council and the local government sector generally and this strategy reflects how we intend to support the Council's senior management and elected members in responding to the challenges facing the Council.

Our audit environment continues to evolve. The Council has recently approved a new strategic-level plan which sets out an ambitious agenda and this and the impacts of ongoing financial restraint means that the Council will increasingly look to deliver services in new ways, with fewer resources and by making use of local bodies, complex commercial relationships and with digital technology.

In this context, the role of Internal Audit has never been more important. Our independence and commitment to high-quality work will provide senior management and the Audit and Scrutiny Panel with appropriate assurance and insights into the use of public funds and on the adequacy and effectiveness of the Council's corporate governance, risk management and internal control arrangements.

Our aim is to add real value through our support to senior management and elected members and our wider influence as we focus on the issues of greatest priority, and have the capacity and resources to support accountability and drive corporate and service improvement.

Ken Adamson, Audit and Risk Manager

June 2019

2. Our audit environment

Our audit environment continues to evolve at a rapid pace. The Council has recently approved a new and ambitious strategic level plan and associated programmes of work and continues to face a challenging financial environment. The Council has also seen significant changes in organisational structures and senior leadership teams in the last twelve months and the way in which the Council operates and delivers some services.

Senior management has committed in the Council's business plan and in a series of reports setting out future ambitions, to a challenging agenda which requires to be underpinned by sound leadership, effective financial management and robust governance arrangements. These arrangements will require to be supported by effective performance and risk management arrangements and are likely to lead to an increased emphasis on project and programme management, service redesign, contract management, commissioning and contracting and how best to secure the benefits of new digital technology and transformation.

The financial challenges mean that the Council will continue to face difficult decisions around financial sustainability and about which services to stop and/or reduce and significant on-going pressure to ensure that those which remain are delivered in a cost-effective manner. At the same time, the demands on Council services are increasing and the expectations of the public in terms of the range and quality of services offered by the Council will remain high. The public also increasingly expects services to be provided in a way that is more visibly integrated and joined-up for people who use them.

The Council, therefore, faces significant challenges balancing the day-to-day delivery of services with achieving its wider strategic priorities, whilst delivering efficiencies, driving service improvements and managing and delivering large scale transformational change.

3. Our Strategic objectives

In this environment, Internal Audit will need to continually reflect and adapt what it does and how it does it in order to ensure that it can continue to operate efficiently and effectively and to demonstrate relevance and value to the Council.

Our strategic aim is to provide a high quality and customer focused internal audit service which is responsive, flexible and consistent with best professional practice. We aim to focus on areas that matter, to use resources efficiently and effectively, and to be seen by stakeholders as adding value, providing valuable insights and making a vibrant and relevant contribution to the Council.

We will do this by:

- supporting elected members and senior management in undertaking their respective roles by providing an independent, objective assurance and consulting activity designed to add value and improve the effectiveness of the Council's operations;
- delivering an internal audit service which fulfils the role and responsibilities given to it formally by the Council as laid out in the Internal Audit Charter approved by the Audit and Scrutiny Panel, the Chief Executive and the Council's s95 officer;
- providing an internal audit service consistent with best professional practice in accordance with the Public Sector Internal Audit Standards (PSIAS) and the associated CIPFA Local Government Application Note (LGAN);
- helping to drive improvements in the Council's risk management, internal control, governance and service delivery arrangements in order to make a positive contribution to the overall management and operation of the authority; and
- focusing our resources on providing assurance on the management of the Council's core governance processes, strategic priorities and key corporate risks.



4. Delivering our strategy

Providing assurance and adding value

We will deliver our strategy through a range of assurance outputs for senior management and the Audit and Scrutiny Panel focused on cyclical coverage of core corporate governance processes, key strategic priorities and programmes of work, corporate risks and key financial systems.

Our work will include in-depth assessments of how well key risks, priorities, projects and programmes of work are being managed and by examining and reporting on the adequacy, efficiency and effectiveness of relevant management arrangements, we will add value by highlighting scope for improvements and providing those we audit with better insight into how they manage and use public money.

We will seek to contribute to the Council's achievement of best value and value for money by providing independent assurance on relevant management arrangements and by constantly being aware of the need to highlight where scope for improved efficiency may exist.

Independence and objectivity

Although part of the Council, independence and objectivity are important attributes for us, not only in complying with best professional practice, but in ensuring that we can contribute most effectively to the Council's governance arrangements. We greatly value our independence and objectivity and are committed to demonstrating these attributes in all that we do.

Continuing to develop our investigative capability

We will continue to develop our investigative capability where there is a need to establish facts where there is potential evidence of irregularity and we will work with management to continually improve the Council's anti-fraud arrangements and to ensure that key fraud risks are identified and appropriately managed. We will respond appropriately and in a timely manner to relevant issues drawn to our attention by elected members, management and members of the public.

Support for the Audit and Governance Panel

We will seek to work closely with the Audit and Scrutiny Panel which takes evidence from Internal Audit reports and will continue to help the Panel discharge its responsibilities and to respond more quickly to emerging issues. We will develop an effective working relationship with the Convener of Audit and Scrutiny to help them shape the work of the Panel.

Securing influence

We want Services to view Internal Audit as a valuable resource that can help them to achieve corporate and service objectives. We will seek, where appropriate and without compromising our primary function and independence, to become involved in relevant emerging issues at an early stage and to provide advice and guidance to prevent problems or weaknesses from arising and to ensure effective and efficient use of Council resources.

Developing our people to make sure we have the right skills

The environment within which we and the Council are operating continues to change and this will need to be reflected in our staff. As well as continuing to invest in our core internal audit skills, we will continue to enhance the range of other skills within Internal Audit needed to focus our work on the key governance processes and strategic risks and priorities faced by the Council.

Investing in our people is critical to our success. We want to embed a culture of continuous learning and development, whereby we help our people to keep their skills at the desired level. To achieve this, we need to support them to further develop their skills across relevant areas including technological and methodological skills, digital skills, sector and cross-government knowledge and personal effectiveness skills.

External audit

We will seek to ensure that the Council's appointed external auditor is, where appropriate, able to place reliance on our work. We will work closely with external audit to ensure that the external audit process is conducted appropriately and that due consideration is given to matters arising.

Resource requirements

Internal Audit services are expected to be provided by an in-house team during the period covered by this strategy. The Audit and Risk Manager (as head of the function) will continue to annually assess the level and capacity of internal audit resources and will report to the Audit and Scrutiny Panel on the adequacy, or otherwise, of the resources available to them.

Delivering high performance

We will seek to measure the success of this strategy and will set out a performance management framework against which we will report regularly. We will also continue to challenge ourselves to work as efficiently as possible by seeking to ensure that our own use of resources is cost-effective and to seek continuous improvements in our audit methodologies and other internal processes.



This document can be made available in a range of languages and formats, including large print, braille, audio, electronic and accessible formats.

To make a request, please contact Corporate Communications on 01698 302527 or email: corporatecommunications@northlan.gov.uk

'S urrainn dhuinn an sgrìobhainn seo a chur ann an diofar chànanan agus chruthan, a' gabhail a-steach clò mòr, braille, cruth claisneachd agus cruthan dealanach agus ruigsinneach.

Gus iarrras a dhèanamh, cuir fios gu Conaltradh Corporra air 01698 302527 no cuir fios gu: corporatecommunications@northlan.gov.uk

本文档可以多种语言和格式提供, 包括大号字体、盲文、音频、电子和可访问格式。

如欲提出请求, 请致电01698 302527或发送电子邮件至:

corporatecommunications@northlan.gov.uk与企业传播部门 (Corporate Communications) 联系。

Ten dokument jest dostępny w różnych językach i formatach, w tym w formacie elektronicznym, dużą czcionką, w alfabecie Braille'a, w wersji audio i przystępnych formatach.

W celu złożenia zamówienia prosimy skontaktować się z Wydziałem Komunikacji Zewnętrznej telefonicznie na numer 01698 302527 lub na adres e-mail: corporatecommunications@northlan.gov.uk

لای ریب، یئو اپھچ یئو فوریج ے ژب لای م ن ج، ے ے یئو تکیس ایج یئو م ہار ف لای م (سٹیم راف) لول کش روا ل و ن اب زکی ایئو تکیس زیواتس دہ ی
- لای م ل م اش یئو ل ل کش یئو اس ر ل ب اق روا ک ن رٹک ل ل ا، ویڈ آ، (یئو اھکل یئو فوریج ے یئو ے رھب ے یئو ے ک دارفا ان یب ان)
رپ ے پ س ای ل ل ر ک ہ ط ب ار ے س ز ن ش یئو یئو م ک ٹ ی روپ راک رپ 01698 302527 یئو اب رھم ے یئو اب ے یئو ے ک ے ن ر ک ت س اوخ رد
یئو یئو ج یئو ل ل م یئو: corporatecommunications@northlan.gov.uk

Document written and produced by

NORTH LANARKSHIRE COUNCIL

Chief Executive's Office

Civic Centre

Windmillhill Street

Motherwell ML1 1AB

t. 01698 302188

NORTHLANARKSHIRE.GOV.UK



INVESTORS
IN PEOPLE | Accredited
Until 2021