

**Mr Nigel Dennis**

Chairman  
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To:

Joy Dennis, Chairman Performance and Finance Scrutiny Committee

SENT VIA E-MAIL

Dear Joy

### **Audit Planning and Internal Control Testing**

Thank you for your letter dated 17th of September 2020. I have set out responses to the points you made below:

1. At the recent meeting of the Performance and Finance Scrutiny Committee (PFSC) on 10 September 2020 concern was raised around 'unsafe practices' not being recognised early by managers or through Internal Audit processes. The issue was specifically raised in relation to Adult Mental Health Services.

It is not the role Internal Audit in any sector, private or public, to provide assurance over every control in the business. It is the role of management to ensure the adequacy of internal controls across their line of business. Internal Audit helps management ensure the controls are adequate and working as planned. Management needs to direct Internal Audit to areas where they have concerns. The Chief Internal Auditor explains this process annually to the committee when he presents the Internal Audit plan to the committee.

It is also worthy of note (and is explained in the internal audit plan) that internal audit are only one source of assurance. In the case of AMHPS an alternative source of assurance (external consultant) was used to review the service area. This does not make it a failing that internal audit did not pick this up moreover that an alternative source of assurance was used.

2. The committee agreed that I should write to you asking your committee to consider/review the audit planning process and whether the Internal Audit team could test both financial and non-financial operational controls to identify any issues early for managers to rectify.

The internal audit team have recently been subject to an external quality assessment review from the Institute of Internal Auditors who have reported that they meet all Standards across the IPPF, PSIAS and LGAN. This includes a

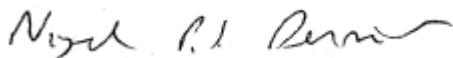
significant focus on planning and engagement. Furthermore, the Audit Committee approved the audit plan in July and reviewed the proposed work programme at its September meeting and is satisfied with its content.

If PFSC would like a detail review comparing the content of WSCC Internal Audit against other County Council's Internal Audit plan to respond to the concern regarding the balance of financial and non-financial operational controls this work could be undertaken, however, it will reduce the number of days available to complete the proposed audit programme. Please could you advise me if your committee would like to put this proposal to RAAC.

3. It is also recognised that audit planning processes need to be reviewed to ensure early review of particular areas of concern that are raised through the risk register.

The Chief Internal Auditor cross references the proposed work programme with the risk register. Additional concerns raised in-year, such as Covid 19, are agreed between management and internal audit and reported to RAAC at the next meeting. For the Adult Mental Health Service specifically, once management identified the problem and commenced developing a solution there is no added value in inviting Internal Audit to do a review. The scheduling of the audit in Q3 is well time as IA can provide assurance on the new processes.

Kind regards,



Nigel Dennis  
Chairman  
Regulation, Audit and Accounts Committee