



HUNTINGDONSHIRE DISTRICT COUNCIL

Internal Audit Strategy 2023/24 – 2028/29 including the 2026/27 Internal Audit Plan

Presented at the Corporate Governance Committee meeting of: 18 March 2026

This report is solely for the use of the persons to whom it is addressed.

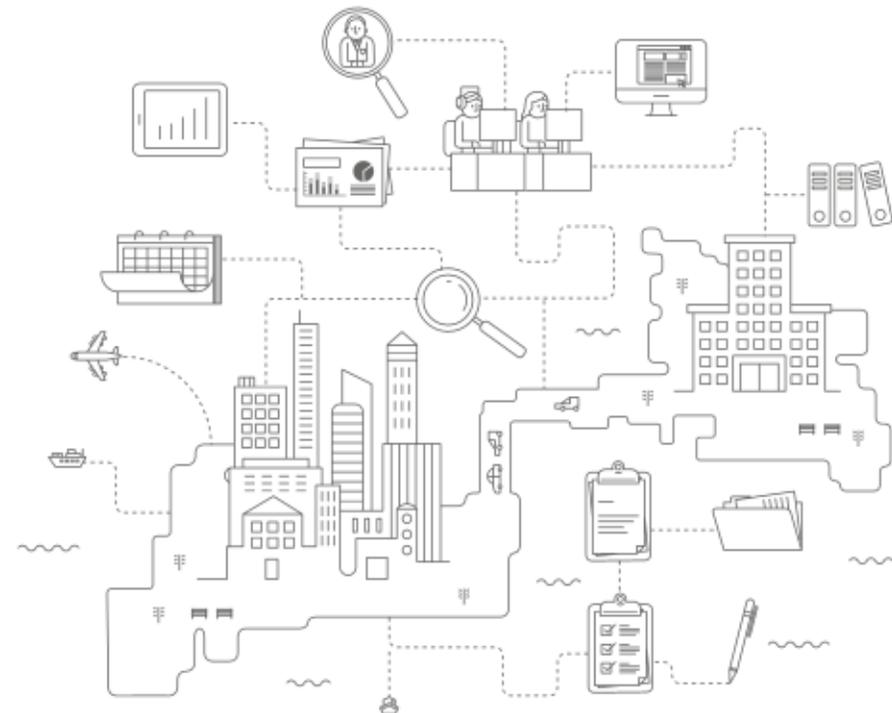
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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EXECUTIVE SUMMARY

Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting Huntingdonshire District Council in the year ahead, including changes within the sector.

Our Internal Audit Plan for Huntingdonshire District Council is presented for approval by the Corporate Governance Committee (CGC) at this meeting. The Committee are asked to approve the Internal Audit Plan and associated Internal Audit Charter. During the year, we will continue to work with management and hold regular meetings to deliver an internal audit programme which remains flexible and agile to ensure it meets your needs. The key points to note from our plan are:



Your core team are Dan Harris / Alastair Foster who are supported by specialists, as required.



Number of deliverables: 20 reviews, including one audit delivered by specialist technology risk staff. Monthly attendance at CLT meetings, monthly highlight reports, regular liaison with the CEO and S151 Officer, and attendance at CGC meetings. **Please note that this plan currently includes 24 reviews, which will be prioritised down to 20 as the year progresses, this will be reported to the CGC.**



Flexible and agile approach to deliver in order to respond to your needs.



We will complete c350 days coverage in 2026/27. This will allow us to provide a range of audits, supervise the work of 2 members of staff within the in-house team and provide coaching and development to the team. It also includes an allocation for ongoing advice and assistance to Chief Officers.



Technology toolkit – 4questionnaires, Alteryx, PowerBi



Internal Audit Charter, at Section 3.2.

'RSM generally conforms to the requirements of the IIA Standards' and RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics'.

1.1 INTERNAL AUDIT PLAN 2026/27

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2026/27. The table details the strategic risks / strategic objectives which have focused our internal audit coverage. This review of your risks allows us to ensure that the proposed plan aligns with the organisation's assurance needs for the forthcoming and future years. It is intended that fourteen audits will be delivered by the inhouse team with RSM scoping, oversight and management, and a further six audits delivered directly by RSM.

	Audit approach	Proposed timing	Proposed CGC Reporting
Risk Driven Coverage			
<p>Business Continuity Planning A review of plans, policies and procedures to respond to a major incident or critical event that could impact Council operations. The Council has completed test exercises and this area is crucial to ensure resilience throughout LGR transition.</p> <p>Risk CORP0006: Resilience</p>	Risk based	Q1 2026/27	Q1 2026/27
<p>Transformation – Follow Up Previous coverage - Key programme and project management review to assess how Transformation projects are developed and plans delivered, how benefits are tracked and realised and if stakeholders are assured on progress of the transformation agenda. A new Head of Transformation and Corporate Reporting has been appointed.</p> <p>The 2026/27 review will be a follow up of the key issues and management actions arising from the 2025/26 negative assurance opinion.</p> <p>Risk CORP0016 – Transformation</p>	Follow Up	Q2 2026/27	Q2 2026/27
<p>Safeguarding To ensure that all Officers and volunteers in a regulated role are subject to the necessary checks and references prior to working with children and vulnerable adults. We will also review the level of training and awareness across the Council, including the operation of the CEO led Safeguarding Board.</p> <p>Risk CORP0017 – Safeguarding</p>	Risk based	Q2 2026/27	Q3 2026/27
<p>Recruitment and Retention To review the recruitment process from end to end, from the point of identifying a vacancy through to obtaining employment contracts. We will also review key controls in relation to retention of staff and key posts.</p> <p>Risk CORP0012 - Staffing</p>	Risk based	Q1 2026/27	Q2 2026/27

	Audit approach	Proposed timing	Proposed CGC Reporting
<p>Data Quality and Performance Management (People/HR Data Quality) The audit will focus on how performance data is collated, reviewed and reported. This will include review of the Data Quality Policy and associated procedures, assessing whether it is fit for purpose and understood, whether governance of data quality is clear and adhered to, and whether it is followed within the KPIs. For a specific sample of data, we will substantiate the data back to source. A new Head of Transformation and Corporate Reporting has been appointed. To potentially cover people / human resources data and reporting Risk CORP0002: Service Quality</p>	Risk based	Q2 2026/27	Q2 2026/27
<p>Preparedness for Local Government Reorganisation (LGR) Assurance review to examine the internal controls, governance and risk management framework as the Council seeks to prepare for transition. This will include consideration of how risks are identified and assessed, how responsibilities and transition plans are established and monitored, and the governance and reporting arrangements, as well as controls relating to resilience and use of resources. Risk CORP0019: Local Government Reorganisation</p>	Risk based	Q3 2026/27	Q3 2026/27
<p>Health and Safety To consider the health and safety arrangements within the Council, including update of policies and procedures, completion of mandatory training and risk assessments, as well as governance arrangements. This will include maintenance in open spaces and countryside to ensure there are appropriate operating procedures, oversight and governance. Risk CORP0007 – Health and Safety</p>	Risk based	Q3 2026/27	Q3 2026/27
<p>IT Disaster Recovery To provide assurance over the effectiveness of the IT systems and processes and controls from a disaster recovery perspective. We will consider the IT Disaster Recovery Plan, the back up processes, as well as the DR Plan and testing arrangements. Risk CORP0001: Cyber</p>	Risk based	Q4 2026/27	Q4 2026/27
<p>Core Assurance</p>			
<p>Capital Expenditure – Follow Up Previous review - To review key controls and governance arrangements in place to prioritise the capital plan and monitor delivery and financial expenditure. The 2026/27 review will be a follow up of the key issues and management actions arising from the 2025/26 negative assurance opinion.</p>	Follow Up	Q3 2026/27	Q3 2026/27

	Audit approach	Proposed timing	Proposed CGC Reporting
<p>Creditor Payments – Follow Up</p> <p>Previous 2025/26 review - Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with. Coverage will also meet External Audit / Regulatory requirements and any management concerns. Focus will include policies and procedures, payment runs, no PO no pay policy, administration of new suppliers and changes to supplier details.</p> <p>The 2026/27 review will be a follow up of the key issues and management actions arising from the 2025/26 negative assurance opinion.</p>	Follow Up	Q3 2026/27	Q3 2026/27
<p>General Ledger – Follow Up</p> <p>Previous 2025/26 review - Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with. Coverage will also meet External Audit / Regulatory requirements and any management concerns. Focus will include journals, control account reconciliations, changes to the chart of accounts and access to TechOne.</p> <p>The 2026/27 review will be a follow up of the key issues and management actions arising from the 2025/26 negative assurance opinion.</p>	Follow Up	Q3 2026/27	Q3 2026/27
<p>Risk Management / Maturity</p> <p>This review will cover how risks are identified, assessed, scored, monitored and reviewed. We will consider how risk is used to information decision-making and for assurance processes, including how risk appetite is defined and applied, and how risks are monitored within the governance structure. This will follow on from the 2025/26 risk maturity review, where we found good foundations had been put in place, but still agreed a number of management actions which need to be embedded in 2026/27.</p>	Systems Based	Q4 2026/27	Q4 2026/27
<p>Insurance</p> <p>To consider key controls in relation to the insurance of Council owned properties. This review could also consider the tendering of insurance services, claims handling and other key controls associated with insurance cover.</p>	Systems Based	Q2 2026/27	Q2 2026/27
<p>Licensing and Environmental Health</p> <p>The Council issues a range of licenses and regulatory controls linked to residents and businesses. These cover statutory and non-statutory functions. We propose to review the key controls in a selection of areas to provide assurance over adherence to Council policies and procedures. To include environment health as they have regulatory duties, issue licenses and are intertwined with Licensing; there is a programme of change in planned across both areas to modernise controls and systems.</p>	Systems Based	Q2 2026/27	Q2 2026/27

	Audit approach	Proposed timing	Proposed CGC Reporting
<p>Car Parking Enforcement</p> <p>Civil Car Parking Enforcement commenced in August 2025. This review will seek to provide assurance that enforcement income is accurately recorded and reconciled. Cancellations and appeals are appropriately authorised, and monitoring arrangements are effective. Governance arrangements support transparency and accountability, and that ensures that processes are conducted in accordance with Traffic Management Act 2004.</p>	Systems Based	Q3 2026/27	Q3 2026/27
<p>Sickness Absence Management</p> <p>To provide assurance that sickness absence is accurately recorded and monitored. Trigger points and escalation procedures are consistently applied, in line the Council policies and procedures. Management information supports oversight and trend analysis. Sickness rates are rising but are lower than the national average of the public sector, but could be impacted as the Council prepares for LGR.</p>	Systems Based	Q3 2026/27	Q3 2026/27
<p>Mandatory Training</p> <p>To provide assurance that mandatory training rates are complied with, that controls and governance is in place to ensure mandatory training schedule is robust, subject to approval, and a review of controls in the learning and development team to ensure uptake is maximised.</p>	Systems Based	Q3 2026/27	Q3 2026/27
<p>Debt Management</p> <p>To provide assurance that debts are raised accurately and promptly. Aged debt is actively monitored and recovery action taken. Write-offs are appropriately authorised.</p>	Systems Based	Q3 2026/27	Q3 2026/27
<p>Community Health and Wealth Fund (CHAWS)</p> <p>The Council and Cabinet has approved a significant fund for community initiatives, estimated at £200k per year for the next three years. A pilot has been completed and new processes to award the funds to successful bidders who follow an application process. The Council will be looking to obtain private investment, as well as from public sector partners, including the Police and the NHS. This audit will consider how the Council demonstrates the impact of this work, how benefits are achieved, a review of the application and award process, and potentially payment controls.</p>	Systems Based	Q4 2026/27	Q4 2026/27
<p>Planning - Conservation and Specialists Team</p> <p>Covering Conservation, Trees, Biodiversity and Landscape specialists within the Planning service. All fit within the wider Planning function, the aim of which is to deliver and support growth – as linked in the Councils corporate ambitions. In a regulated area where the Council has statutory duties, we will consider the adequacy of policies and procedures review of applications and how the Council responds to consultations, considering quality and timeliness; and activities such as site visits. Inability to deliver growth is a key risk to the Council.</p>	Systems Based	Q4 20/26/27	Q4 20/26/27

	Audit approach	Proposed timing	Proposed CGC Reporting
<p>ICT Budget Management – Follow Up</p> <p>Specific Follow Up audit following the completion of the 2025/26 ICT Budget Management review due to the number of high and medium priority management actions identified to address control weaknesses. Note that at the time of drafting this Long List, the fieldwork was in progress, although the emerging picture shows a lack of robust controls. This review will be a follow up of the key issues and management actions arising from the 2025/26 negative assurance opinion.</p>	Follow Up	Q4 2026/27	Q4 2026/27
Other Internal Audit Activity			
<p>Disabled Facility Grant (DFG) Verification</p> <p>Annual grant verification review.</p>	Grant Audit	Q2 2026/27	Q2 2026/27
<p>Advice and Assistance</p> <p>An allocation to provide ongoing advice, support and assistance to the CLT.</p>	Not applicable	Ongoing	Ongoing
<p>Follow Up</p> <p>To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.</p>	Follow Up	Q4 2026/27	Q4 2026/27
<p>Management</p> <p>This will include:</p> <ul style="list-style-type: none"> • Annual planning • Preparation for, and attendance at, CLT and CGC • Regular liaison and progress updates to S151 Officer, Monitoring Officer, Portfolio Holder and CGC Chair • Liaison with external audit and other assurance providers • Preparation of the annual report and opinion. 	Not applicable	Not applicable	Not applicable
Oversight of In-house team	Ongoing	Ongoing	Ongoing

A detailed planning process will be completed for each review, and the final scope will be documented in an Assignment Planning Sheet. This will be issued to the key stakeholders for each review.

Working with other assurance providers

The Corporate Governance Committee is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers, such as and external audit to ensure that duplication is minimised, and a suitable breadth of assurance obtained.

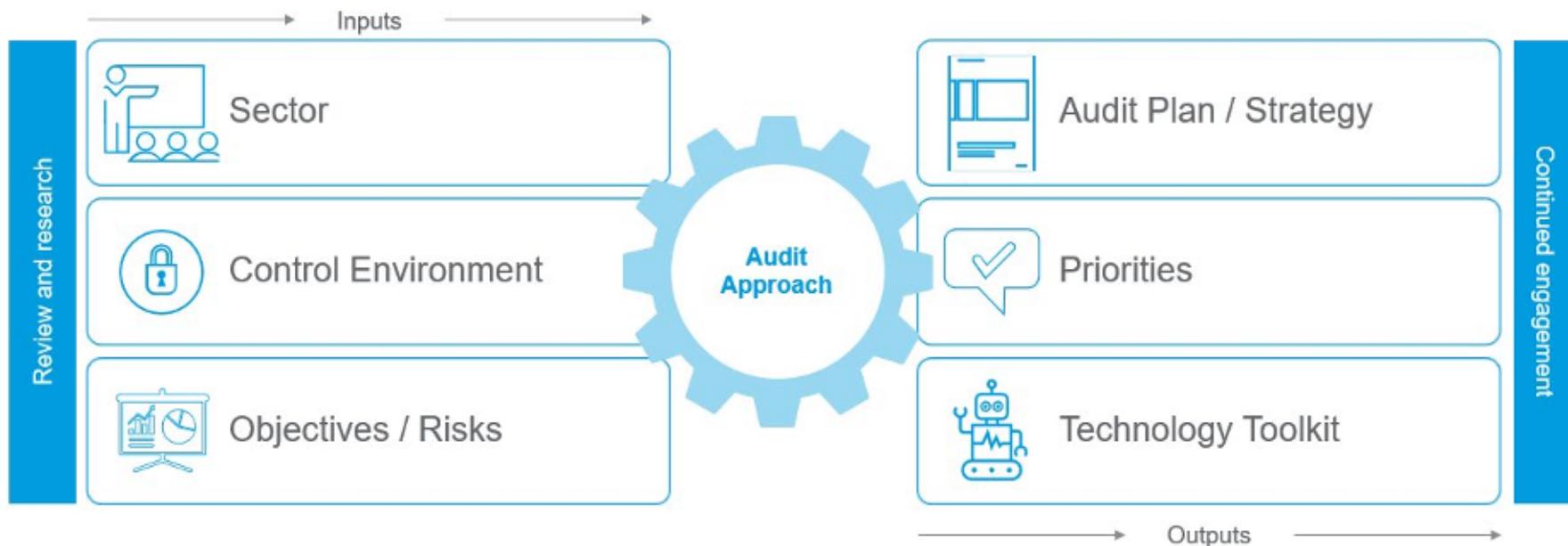
1.2 INTERNAL AUDIT METHODOLOGY

Our approach to developing your internal audit plan is based on analysing your organisational objectives, risk profile and assurance framework as well as other factors affecting Huntingdonshire District Council in the year ahead, including changes within the sector. We also discuss audit priorities and coverage with management and the CGC.

Risk management processes

We have evaluated your risk management processes and consider that we can place reliance on your risk registers / assurance framework to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with senior management and the CGC to develop your annual audit plan and high-level strategic plan (See Section 2.1 and 3.2).

Figure A: Audit considerations when developing the Internal Audit Strategy.



Your Internal Audit Strategy 2023/24 – 2028/29

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2.1 INTERNAL AUDIT STRATEGY 2026/27

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1.1 above, as well as our own view of the risks facing the sector as a whole.

Audit Area	Strategic / Operational Risk	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Capital Expenditure	Risk CORP0004			Partial	✓		✓
Budgetary Control / Medium Term Financial Planning	Risk CORP0004		Reasonable			✓	
CIPFA Financial Management Code	Risk CORP0004	Adequate					
Insurance	Risk CORP0004				✓		
Procurement	Risk CORP0004		Limited	Partial*			
				*follow up			
Contract Management	Risk CORP0004			Partial	✓		
ICT Budget Management	Risk CORP0004			✓	✓		
Key Financial Controls	Risk CORP0004		Limited	*Follow Up	*Follow Up	✓	✓
Creditors	Risk CORP0004			Partial	✓		
General Ledger	Risk CORP0004			Partial	✓		
Debt Management	Risk CORP0004				✓		
Car Parking					✓		
Payroll	Risk CORP0004			Reasonable			✓

Audit Area	Strategic / Operational Risk	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Business Continuity Planning	Risk CORP0006	Advisory			✓		✓
Recruitment and Retention	Risk CORP0012			Partial	✓		
Human Resources	Risk CORP0012	Adequate				✓	✓
Workforce Development Strategy	Risk CORP0012			Substantial			
Home and Hybrid Working	Risk CORP0012		Advisory				
Equality and Diversity	Risk CORP0018					✓	
Mental Health and Wellbeing	Risk CORP0012						✓
Mandatory Training					✓		
Sickness Absence Management					✓		
Data Quality and Performance Management (People/HR Data Quality)	Risk CORP0002			Partial	✓	✓	✓
Capacity Planning	Risk CORP0002			Advisory			
Safeguarding		Adequate			✓		
Corporate Governance	Risk CORP0005		Reasonable			✓	
Democratic Services	Risk CORP0005			Reasonable			✓
Risk Management	All risks			Advisory	✓	✓	✓

Audit Area	Strategic / Operational Risk	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Partnerships / Collaboration	Risk CORP0013					✓	
Stakeholder Management	Risk CORP0014						✓
Complaints and Compliments				Reasonable			
Preparedness for Local Government Reorganisation (LGR)	Risk CORP0019				✓	✓	
Market Towns Programme	Risk CORP0016			✓			
Transformation	Risk CORP0016			Partial	*Follow Up	✓	✓
Community Health and Wealth Fund					✓		
Planning – Conservation and Specialists					✓		
Health and Safety	Risk CORP0007				✓		✓
Council Tax				Reasonable		✓	✓
Housing Benefits				Reasonable		✓	✓
Business Rates				Reasonable		✓	✓
CDIO Role				Advisory			
IT Remediation Review				Advisory			
Data Protection	Risk CORP0010			Advisory			✓
IT Disaster Recovery	Risk CORP0001				✓		

Audit Area	Strategic / Operational Risk	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
GDPR Health-check	Risk CORP0010	Advisory				✓	
Artificial Intelligence							✓
Cyber Essentials	Risk CORP0001		Advisory			✓	
IT Audit / IT Procurement and Contract Management / Critical Application Security	Risk CORP0001	Advisory					
Disabled Facilities Grant		✓	✓	✓	✓	✓	✓
Tree Management	Risk CORP0011	Adequate					
Climate – Carbon Data / Environment	Risk CORP0011	Adequate					
Licensing and Environmental Health					✓		
One Leisure, Pool Operation Records / Leisure Provision	Risk CORP0007		Limited	*Follow Up			✓
Review of Commercial Estates rent review processes and invoicing / Estates Management			Limited	*Follow Up		✓	
Operations Vehicle Maintenance Processes			Reasonable			✓	
Green Bin Implementation and transfer to BAU operations			Reasonable				
Minor Works			Advisory				

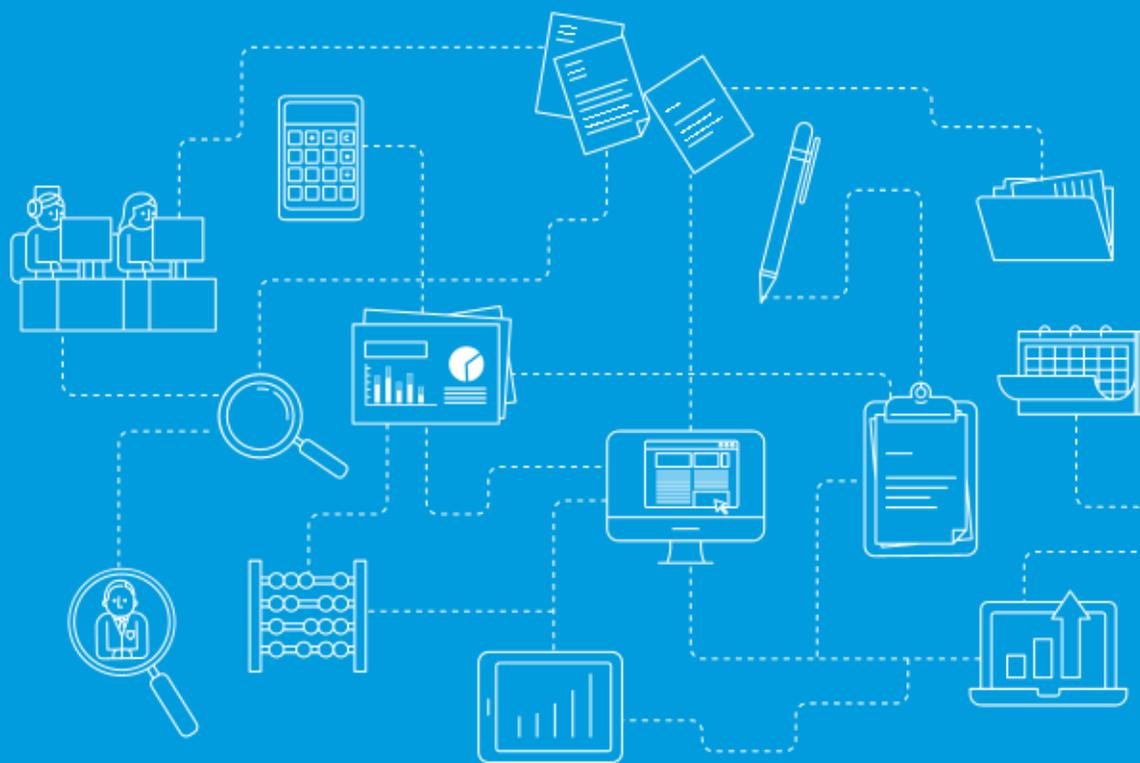
Audit Area	Strategic / Operational Risk	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Housing / Homelessness / Temporary Accommodation	Risk CORP0015					✓	✓
Follow Up	All risks		Reasonable	Reasonable	✓	✓	✓

As part of the planning process for 2026/27, the areas below were identified as potential audit areas to be included but have not been prioritised for the current audit year.

- Temporary Accommodation
- Equality, Diversity and Inclusion
- Health and Wellbeing
- Home and Hybrid Working
- Governance
- Democratic Services
- Cyber Essentials
- Artificial Intelligence
- Council Tax
- Housing Benefits
- Business Rates

Your Internal Audit Service and Internal Audit Charter

03



3.1 YOUR INTERNAL AUDIT SERVICE

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Global Internal Audit Standards in the UK Public Sector. Our next external quality assessment (EQA) will take place in 2026.

Under the Standards, internal audit services are required to have an EQA every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

3.2 INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, mandate, authority, role and responsibilities for the internal audit service for Huntingdonshire District Council. The establishment of a charter is a requirement of the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. Our internal audit services are designed to conform with the Global Internal Audit Standards in the UK Public Sector.

Approval of the charter is the responsibility of the Council and Corporate Governance Committee.

The internal audit service is provided by RSM UK Risk Assurance Services LLP ('RSM').

Purpose

The purpose of the internal audit function is to strengthen Huntingdonshire District Council's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight. We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives.

Mandate

Authority

In approving this Charter, Huntingdonshire District Council grants RSM the mandate to provide the board and senior management with objective assurance, advice, insight and foresight.

The internal audit team is authorised by the board to:

- Have full and unrestricted access to all functions, records, data, information, property and personnel which it considers necessary to fulfil its role.
- Have full and free access to the Board.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.
- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.

-
- Initiate or approve accounting transactions on behalf of the organisation.
 - Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to Dan Harris (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the chief executive, with further reporting lines to the Chief Executive, Section 151 Officer and Chair of the Corporate Governance Committee.

Through this charter, RSM confirms the organisational independence of internal audit annually. Should any changes in governance structure arise during the year, limiting independence, this will be brought to attention and the safeguards put in place communicated.

Circumstances may justify a follow-up discussion between the head of internal audit, board, and senior management on the internal audit mandate or other aspects of the charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the head of internal audit, board, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

To assist the assessment; RSM is able to remain independent for the following reasons:

- As an outsourced provider of internal audit services to Huntingdonshire District Council, independence is inherent in our delivery and audit methodology.
- Our internal auditors do not have any operational responsibilities across Huntingdonshire District Council.
- No member of the audit team is employed by Huntingdonshire District Council.
- The head of internal audit reports to the Chief Executive and Corporate Governance Committee Chair.
- RSM methodology includes a second partner review (by another head of internal audit who does not work on Huntingdonshire District Council of the annual plan, the year-end annual report and opinion.
- The Internal Audit Charter details our role and responsibilities and the authority we have which enables us to undertake our internal audit service.

The head of internal audit has unrestricted access to the Chair of Corporate Governance Committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Internal audit conforms with the Global Internal Audit Standards which includes the principles and standards of ethics and professionalism. Internal auditors maintain an unbiased mental attitude. This allows auditors to perform engagements objectively, and without their judgment on audit matters impacted by others, either in fact or appearance.

Conflicts of interest may arise where RSM provides services other than internal audit to Huntingdonshire District Council. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the Board. The nature of the disclosure will depend upon the potential impairment, and it is important that our role does not appear to be compromised in reporting the matter to the Board. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

RSM have provided Risk Management Support to the Authority in 2025/26 by supporting you to refresh your risk registers. We also continue to provide the 4Risk Risk Management software to the Authority. All of these engagements have been undertaken through a separate letter of engagement. We have put in place separate reporting lines and engagement partners, with the Head of Internal Audit having no direct involvement in these engagements. We are therefore actively managing any potential conflict of interest, and we have actively managed any potential self-review threat and conflicts ahead of accepting any of these engagements

Board oversight

In establishing the internal audit function, ensuring it is positioned independently and overseeing performance, the board will:

- Support and champion the mandate of internal audit, enabling it to fulfil its objectives, and working with senior management, enable unrestricted access to information and records.
- Discuss with the head of internal audit and senior management internal audit's authority, role, responsibilities, scope and types of services (assurance / advisory).
- Establish and protect the internal audit function's independence and ensure a direct reporting relationship, allowing the head of internal audit to discuss matters with the board without senior management present.
- Review, discuss other topics for inclusion, and approve annually the internal audit charter. This includes approving the mandate, the scope and internal audit services.
- Participate in discussions with the head of internal audit and senior management about the 'essential conditions' in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Review the internal audit charter annually with the head of internal audit to consider changes affecting the organisation, such as changes in the type, severity, and interdependencies of risks.
- Approve the risk-based internal audit plan.

- Appoint and remove the internal audit function and approve our fee.
- Collaborate with senior management to determine the competencies, experience and qualifications required of the head of internal audit.
- Review internal audit performance and receive communications from the head of internal audit on performance relative to plan.
- Discuss the quality assurance and improvement programme (QAIP) and review the QAIP annual briefing sharing themes and learning from reviews undertaken across our client base.
- In collaboration with senior management, ensure internal audit has the resource to fulfil the mandate and internal audit plan. At least annually, discuss with the head of internal audit whether internal audit scope and resource is sufficient.

Internal audit responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the Board and senior management for review. The plan will be approved each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the Board. The plan will be updated in response to organisational changes including risks, operations, programmes, systems and controls. All significant changes are communicated to the Board and senior management.
- Ensure the internal audit team consists of professional audit staff with the competencies, knowledge, skills, and experience to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and enable internal audit to fulfil its mandate.
- Establish a quality assurance and improvement programme to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives and improving the efficiency of governance, risk management and internal control processes.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Identify themes, trends and emerging issues that could impact the organisation and where appropriate communicate matters to the board and senior management.
- Communicate the impact of resource limitations on the internal audit plan to the board and senior management.

- Report regularly to the board to demonstrate the performance of the internal audit service.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the head of internal audit cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the board.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'board'.

- Internal audit – a department, division, team of consultant, or other practitioner(s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.
- Senior management / Corporate Leadership Team who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.
- Corporate Governance Committee - The highest-level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, 'board' may refer to a committee or another body to which the governing body has delegated certain functions (eg a Corporate Governance Committee).

Client care standards

In delivering our services we require full cooperation from key stakeholders and relevant business areas to ensure a smooth delivery of the plan. We proposed the following KPIs for monitoring the delivery of the internal audit service:

- Discussions with senior staff at the client take place to confirm the scope six weeks before the agreed audit start date.
- Key information such as the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 15 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / client portal.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the Board. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the Board and management summarising outcomes of audit activities, including follow up reviews.

As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

As the provider of the internal audit service, we are required to provide an annual opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the board is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisation by RSM UK Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Board to inform the organisation's annual governance statement.

Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties. Internal auditors are accountable for confidentiality and safeguarding records and information.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. We have in place a quality assurance and improvement programme, consisting of both internal and external assessments. Internal assessments are led by a dedicated Quality Assurance Department who undertake these reviews. Under the standards, internal audit services are required to have an external quality assessment every five years. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the Board.

The head of internal audit will report annually to the board and senior management regarding the internal audit function's conformance with the Standards, which is assessed through a quality assurance and improvement programme. Themes and learning from Quality Assurance Department reviews undertaken across our client base will be shared. This includes how the principles in the Internal Audit Code of Practice have been applied

Fraud

The Board recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the Board recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

Approval of the internal audit charter

By approving this document, the internal audit strategy, the Corporate Governance Committee is also approving the internal audit charter.

FOR FURTHER INFORMATION CONTACT



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We are committed to delivering an excellent client experience every time we work with you. If you have any comments or suggestions on the quality of our service and would be happy to complete a short feedback questionnaire, please contact your RSM client manager or email admin.south.rm@rsmuk.com.

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Huntingdonshire District Council and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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