

**Kildare County Council**  
**Internal Audit Strategic Plan**  
**2021-2025**

Approved at Audit Committee meeting of 23<sup>rd</sup> March 2021



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## Introduction

The Internal Audit Strategic Plan sets out the medium-term direction of the Internal Audit & Corporate Governance unit. This multi-annual plan outlines the priorities for the service and the actions that will be taken to address these. The plan sets out how Internal Audit & Corporate Governance continues to provide independent assurance that Kildare County Council's risk management, governance and internal control processes are operating effectively. By setting out a plan horizon of four years, the Internal Audit unit is tasked with identifying longer term shifts in resources, technology and methodologies in addition to the short-term focus of the Annual Audit Plan. Future strategic plans will be scheduled to link a year in arrears, with Kildare County Council's Corporate Plan.

The strategic plan is supported by the Audit Charter, which sets out the roles and responsibilities of the unit, and the Annual Audit Plan which outlines internal audit work which will be carried out each year.

A key role of Internal Audit & Corporate Governance is to ensure that Kildare County Council has robust systems and controls in place to meet its priorities. This is best demonstrated through the annual audit planning process where the risks identified as part of an audit needs assessment and meetings with Directors of Services and their senior staff are mapped against the Corporate Plan, Departmental Risk Registers, the Audit Report and key spend areas. Statutory audits and checks are prioritised and scheduled. A calculation is then undertaken to establish the number of audit days available for the delivery of the plan.

The Annual Internal Audit Plan is approved by Management Team and the Audit Committee prior to the start of each year. The delivery of the plan helps to create a culture of accountability, ensures that risk management processes are embedded and contributes to ensuring good governance within Kildare County Council.

The intention for the five-year period of this plan is to increase the level of risk-based audits and advisory/consultancy work and reduce the level of compliance audit work to better align with the priorities of the Council. This approach places an emphasis on risk management and governance, but also ensures that core financial procedures continue to be applied correctly and consistently.

This plan also covers the checking function and the Article 48 processing.



## Provision Arrangements

Kildare County Council maintains an in-house Internal Audit unit. The benefits to maintaining an in-house service include:

- Detailed knowledge of the activities of Kildare County Council
- Value for money
- Commitment to the Council and support for the delivery of its priorities

The **audit team** continues to look at ways in which it can drive efficiency. It is recognised that there are some areas where specialist knowledge may be required (e.g. IT systems) and consideration will be given to buying-in the necessary expertise where appropriate.

## Reporting Lines

The Head of Internal Audit & Corporate Governance has a direct reporting line to the Head of Finance for operational and administrative purposes. In addition, a reporting line to the Chief Executive is in place to discuss the Audit Plan and the progress of audits performed. The Head of Internal Audit & Corporate Governance is able to contact the Chief Executive directly at any time should an issue arise in the course of an audit.

Staff in Internal Audit are not tasked with reviewing any systems for which they have previously held any level of responsibility. This is applied for a three-year period to ensure that objectivity is not compromised.

The Head of Internal Audit & Corporate Governance is an attendee of the Council's Audit Committee and reports directly to this committee. It is intended that the Head of Internal Audit & Corporate Governance is present at all meetings of the Audit Committee to advise members on internal control issues and to report on work undertaken. The Head of Internal Audit & Corporate Governance has access to the Chair of the Audit Committee to discuss relevant matters.

The Head of Internal Audit & Corporate Governance provides the Head of Finance with copies of all audit reports and recommendations for presentation and discussion at Management Team to ensure that the Chief Executive and Directors of Service are fully aware of issues identified as part of any audit work.

The Audit Committee is set up in accordance with the Local Government (Audit Regulations) 2014 and comprises both elected members that represent full council and external members. The Head of Internal Audit & Corporate Governance reports on the results of internal audit work to the Audit Committee at their Audit Committee meetings throughout the year. A report on progress against recommendations from previous reports is also provided to the Audit Committee.

Audit reports are subject to FOI requests and may be provided (subject to redactions where appropriate) on request.



## Training

Training is available to all members of the team within the constraints of the budget. The Council's PMDS process highlights any training that is necessary for or desired by staff.

The Head of Internal Audit & Corporate Governance post is analogous to the Financial/Management Accountant position and requires the post holder to hold an accountancy qualification with a recognised accountancy body. The other staff in the unit are not required to hold formal qualifications, however working towards an intermediate qualification is encouraged.

## Performance Management

The Internal Audit unit will be measured against a number of performance indicators to demonstrate how it meets its objectives and adds value. These include:

- Delivery of audit plan
- Number of recommendations delivered by agreed deadline
- Ensuring a balance between system-based work, risk-based work, follow up audits, advisory work, value for money, corporate governance and statutory audits over the lifetime of the plan.
- Processing of Article 48 projects/claims on time

These reflect the desire of the unit to deliver a quality product, that provides added value to the organisation. Service performance will be reported on as part of the regular Audit Committee report updates and the Annual Report of Internal Audit.

Performance management is a major focus of Kildare County Council and any issues are addressed through the individual Personal Development Plan (PDP) process and regular one-to-ones with members of the team.

Delivering a quality service is fundamental to the success of the unit, and therefore a robust quality control process is in place. This includes a review of work done at key stages of each audit review by the Head of Internal Audit & Corporate Governance to ensure that all key issues are identified and that the quality of the audit work is high. The Head of Internal Audit & Corporate Governance meets with the key stakeholders at various stages of the audit process in order to ensure that audit issues and recommendations are appropriate and 'add value' to the audited department.

## Key Priorities

In order to continue to develop the service the following key priorities have been identified over the three period:

- Ensure all staff in the team are appropriately proficient and have a broad range of experience
- Clearly align the work of the unit to the Council's strategic direction
- Keep up to date with current internal audit best practices in local government and adapt the way in which the internal audit service is delivered, as appropriate
- Maintain efficient and high-quality work



- Continue to raise the profile and the value added by internal audit throughout the Council
- Embrace the digital strategy through the maximisation of IT hardware and software opportunities
- Deliver a cohesive risk management and assurance service to Kildare County Council

## Audits covered within the plan

The following types of audit will be completed over the lifetime of the plan:

- **Statutory audits**
  - 2 \* Public Spending Code audits per annum;
  - 1 \* SICAP audit per annum
- **System based work**

Predominantly of key financial systems to give assurance that they are operating effectively. Key control reviews will be carried out on core financial systems with continuing close liaison with the Local Government Auditor to maximise audit efficiency.
- **Risk based work**

This work is based on strategic or operational risks. The audits examine the objectives of the area under consideration, the risks that may affect the achievement of those objectives and the adequacy and effectiveness of the controls around those risks. Internal Audit should review both the corporate and departmental risk registers to assist in identifying audit areas.
- **Follow up audits**

Specific follow up audits are planned where there are a number of recommendations made in previous reviews.
- **Advisory work**

This allows an element of audit time to cover specific projects/developments that may be requested during the year by management.
- **Corporate Governance**

Governance should be considered as part of each audit review. In addition, however, there should be specific audits where this is the focus of the audit.
- **Value for money**

Value for money should be considered as part of each audit review. In addition, however, there should be specific audits where this is the focus of the audit.



## Article 48 verification

An element of the role of internal audit in Kildare County Council is to provide verification checks to Article 48 projects and claims. This is done in association with the Community Department (who oversee the Leader programme which generates the Article 48 projects). 80% of a FTE in internal audit is assigned and charged to this programme and the Head of Internal Audit & Corporate Governance also has a role. The time requirement is built into the number of audit days available for the team as part of the Annual Audit Plan.

## Annual Audit Plan

For each year of the Internal Audit Strategic Plan, an annual operational Internal Audit Plan is produced to provide the unit with its work programme for the year. An assessment of audit needs is done with input from the Management Team and the Audit Committee to identify risks not currently covered. The assessment then informs the plan for the following year.

The draft report is agreed at Management Team before being brought to the Audit Committee for final agreement and sign off. This may then be included on Kildare County Council's website.

## Internal Audit Annual Report

An annual report is produced at the end of each year highlighting the works done and how it compares to the annual plan for that year.

The report is brought to Management Team before being brought to Audit Committee. The Head of Internal Audit & Corporate Governance discussed any key variations from the plan at the Audit Committee. This may then be included on Kildare County Council's website.