NHS Ayrshire & Arran

Meeting: **Ayrshire and Arran NHS Board meeting**

Meeting date: **Monday 28 March 2022**

Title: **Internal Audit Programme**

Responsible Director: **Derek Lindsay, Director of Finance**

Report Author: **Derek Lindsay, Director of Finance**

1. Purpose

This is presented to the Board for:
- Decision

This paper relates to:
- Government policy/directive

This aligns to the following NHSScotland quality ambition(s):
- Effective

2. Report summary

2.1 Situation

Grant Thornton as the Board's internal auditors take a risk based approach and have proposed areas for internal audit review in 2022/2023. The Board are asked to approve the internal audit plan for 2022/2023 and delegate to the Audit and Risk committee to flex the plan during the year in light of pandemic circumstances. The Audit and Risk Committee chair will update the Board on any changes and if these are major then a new plan would be brought to the Board.

2.2 Background

Internal audit are required to provide an annual assurance statement. They take a risk based approach in determining areas to carry out reviews, which should cover all areas of governance.

2.3 Assessment

The audit programme has been shaped by discussions at various groups as outline in paragraph 2.3.8 and a lead Director assigned for each review who will refine the scope and co-ordinate management responses to recommendations.

Audit review area 2022/2023	Lead Director	Governance Committee
Property Transaction Monitoring	Nicola Graham	Audit
Integration Joint Boards	IJB chief officers	Audit
Recruitment	Sarah Leslie	Staff
Vaccination programme	Lynne McNiven	Healthcare
Programme management office	Kirstin Dickson	Audit
Financial controls	Derek Lindsay	Audit
Microbiology point of care testing	Joanne Edwards	Healthcare
Risk Management	Crawford McGuffie	Audit
Cyber Security and Resilience	Nicola Graham	Information
Caring for Ayrshire	Kirstin Dickson	Integrated
Quality and Cost Improvement	Jennifer Wilson	Performance
Organisational culture	Sarah Leslie	Staff

2.3.1 Quality/patient care
The vaccination programme and microbiology point of care testing are areas for review.

2.3.2 Workforce
Reviews are planned on recruitment, health and safety and organisational culture.

2.3.3 Financial
Financial controls are audited on a cyclical basis.

2.3.4 Risk assessment/management
The internal auditors reviewed the strategic risk register.

2.3.5 Equality and diversity, including health inequalities
An impact assessment has not been completed because not relevant

2.3.6 Other impacts
- Best value
    - Vision and Leadership
    - Effective Partnerships
    - Governance and accountability
    - Use of resources
    - Performance management

- Compliance with Corporate Objectives

2.3.7 Communication, involvement, engagement and consultation
The Board has carried out its duties to involve and engage external stakeholders where appropriate including a discussion at Corporate Management Team.

2.3.8 Route to the meeting
This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

- Corporate Management Team, 25 January 2022
- Corporate Management Team, 1 February 2022
- Integrated Governance Committee, 7 February 2022
- Audit Committee workshop, 25 February 2022
- Audit and Risk Committee, 17 March 2022

2.4 Recommendation

For decision. The Board is asked to approve submission of the internal audit plan for 2022/2023 as recommended by the Audit and Risk Committee and delegate to the Audit and Risk Committee to flex the plan during the year in light of pandemic circumstances. The Audit and Risk Committee Chair will update the Board on any changes and if these are major then a new plan would be brought to the Board.

3. List of appendices

The following appendices are included with this report:

- Appendix 1, Draft internal audit plan from Grant Thornton

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NHS Ayrshire and Arran

DRAFT Internal Audit Plan 2022/23

March 2022

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Our internal audit plan for 2022/23 has been prepared on the basis set out in our contract dated March 2018. This plan, and our subsequent deliverables do not constitute an assurance engagement as set out under ISAE 3000. This report has not been designed to be of benefit to anyone except the Board. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Board. Any party other than the Board that obtains access to this report (or a copy) under Freedom of Information Act 2002, thought the Board's publication scheme or otherwise, and chooses to rely on this report (or any part of it) does so at their own risk. To the fullest extent permitted by law, Grant Thornton UK LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Board.

Internal Audit Planning for 2022/23

Internal Audit Planning Principles

Public Sector Internal Audit Standards (PSIAS) require the Chief Audit Executive (Chief Internal Auditor) to produce a risk based plan which takes into account NHS Ayrshire and Arran's risk management framework, its strategic priorities and objectives and the views of its senior management, Non-Executive Directors and the Audit and Risk Committee.

This draft annual plan for 2022/23 has been developed through:

- review of the Board's corporate priorities and corporate risk register;

- review of previous years internal audit plans (Appendix A);

- review of Board minutes, Audit and Risk Committee minutes and associated papers to identify any planned changes to the control environment or emerging risks;

- consideration of your audit universe to ensure over this year and the past 3 years we have covered all areas of the universe which are considered a risk*; and

- our wider knowledge of the NHS.

This plan is being presented to the Integrated Governance Chairs Group, non-executives via the Audit and Risk Committee and management for discussion and input. The final plan will be presented to the meeting of the Audit and Risk Committee in March 2022 for final approval.

Given the ongoing pandemic, the following principles for the 2022/23 plan were agreed:

- No internal audit activity covering public health.

- 30 days set aside for IJB activity to remain, to support the IJB internal audit plans.

- Limited activity in Q1 to allow completion of the 2021/22 plan. Reviews scheduled in Q4 have slipped, due to resource demands incurred by the management of COVID-19 within NHS Ayrshire and Arran.

- We would remain flexible and continually review the plan to ensure there is sufficient coverage for a year end opinion.

Following feedback from a non-executive Audit and Risk committee we have reviewed our internal audit planning. In particular, the balance between internal audit assurance work, and how internal audit is used, to support NHS Ayrshire and Arran develop, making use of more of Internal Audit senior team members time, and our wider advisory and/or specialist skills.

It is recognised this increased specialist/Senior time was not factored in, when setting an agreed internal audit daily rate. As a result, for this year, we have focused on the quantum of internal audit work that can be delivered, within the total fee agreed. Total fee is £143,100 for the year. We have focused on internal audit outcomes, when completing this plan, and less on inputs (days per review). This allows us to meet the assurance and internal audit advisory needs of the organisation.

Our response to the impact of COVID-19

Audit Planning

- As we have demonstrated during the 2021/22 plan, we have worked to provide an agile, effective, and value added service throughout COVID-19. We recognise the importance of conducting internal audits flexibly by making best use of technology to work well both remotely, and where possible, onsite. This approach minimises the impact of the pandemic on our plans to carry out our internal audit work. We have proposed timings of reviews but will be mindful priorities may change.

- Our proposed plan assumes that the impacts of COVID-19 will reduce over the next year and any staff re-deployed will go back to their responsibilities.

- The risks facing NHS Ayrshire and Arran and the NHS in Scotland will be very different post COVID-19 and our plan remain flexible as we adapt to what the new future looks like.

Mitigating Risks

- When considering how best to mitigate risk there are a number of areas that we have considered, especially in light of COVID-19. These include:

- Changes to impact and likelihood scores for existing risks

- The emergence of new risks

- The materialisation of some risks into issues

- Changes to risk appetites and risk tolerances

- Depletion of resources over the course of the pandemic, which may have had an impact on operations and compliance with normal procedures.

We can assist NHS Ayrshire and Arran through considering how it is mitigating risks and complying with normal procedures while increasing productivity, as we move out of the pandemic. This will consider the impact due to COVID-19 on a short-term basis as well as on a medium to long term basis to ensure organisational objectives are met.

Delivery and Collaboration

- We will continue to assess evolving risks and emerging risks that might impact NHS Ayrshire and Arran's future state.

- It may be necessary to revisit the timing or content of the audit plan throughout the year based on any future effects of COVID-19.

- We will continue with our agile auditing approach where we collaborate and communicate with the senior management team within NHS Ayrshire and Arran and the Audit and Risk Committee to ensure we continue to act in line with NHS Ayrshire and Arran's risk position and appetite, and in areas where we can add the most value.

- We will continue to be a trusted advisor supporting NHS Ayrshire and Arran's continuous tailoring and embedding of the positive ways of working implemented during Covid.

IA Advisory

As set out in the PSIAS, advisory work, the nature and scope of which are agreed with the client are intended to add value and improve an organisation's governance, risk management and controls processes.

Our advisory program is set out at page 9. Following each review a report will be provided to the Audit and Risk Committee, but this report will use our internal advisory style, without an assurance rating.

Advisory reviews outline possibilities and areas for consideration, weighing them against the backdrop of any constraints. This contrasts with assurance reports which report on agreed areas of improvement on an exception basis.

Draft Internal Audit Plan 2022/23

Assurance - areas developed from a review of the risk register, audit universe, cyclical rotation of reviews.

Assurance area	Outline Scope	Proposed Timing	AC Schedule
Property Transaction Monitoring	Review of 2021/22 Property transactions to evidence compliance with the PTM manual (where relevant). **Risk ID 432 (SRR) – Compliance – Statutory Regulations Management of the Estate.**	May 2022	June 2022
Integration Joint Boards	As in prior years, we have included days to support the Chief Internal Auditors of the three IJBs in obtaining assurance over certain aspects of the IJB arrangements. For 2022/23 we will liaise with the auditors to identify a suitable area for review.	Throughout	n/a
Recruitment	To review the controls in place around recruitment for both permanent and temporary staff, considering how practices taking place adhere to NHS Ayrshire and Arran policies and procedures. As part of this review we will consider benchmarking with other Boards, and assess plans for future recruitment and how barriers to recruitment can be overcome. This review has been carried forward from the 2021/22 plan and the exact area of focus will be agreed with management at the outset. **Risk ID 764 (SRR) – Patient Experience/Outcome – Registrant Workforce Supply and Capacity**.	November 2022	January 2023
Vaccination Programme	A review to consider what lessons can be learned from the effectiveness of the Covid – 19 vaccine rollout for vaccination programmes more generally. As part of this review we will provide assurance on the design and operation of controls over the Covid-19 vaccination role out within NHS Ayrshire and Arran and what lessons NHS Ayrshire and Arran could take as they look to develop other vaccination programmes. Our review will focus on the risk that the vaccine programme does not deliver due to a lack of suitable resource planning and the ability to forward look to adapt to changes in clinical guidance, and/or SG guidelines" **Risk ID 511 (SRR) – Staffing and Competence – Immunisation Programmes – Implementation and Monitoring.**	October 2022	January 2023

Assurance area	Outline Scope	Proposed Timing	AC Schedule
Review of Programme Management Office (PMO)	The PMO have a co-ordinating role and prepare a delivery plan each year. This review will consider if the financial efficiencies identified within the plan are being realised. **Risk ID 703 (SRR) – Financial - Financial Outturn.**	December 2022	March 2023
Financial Controls	We will confirm the design and operations of certain financial controls on an annual basis. We will determine based on our risk assessment with Finance, the relevant controls to consider within 2021/22. **Risk ID 703 (SRR) – Financial - Financial Outturn.**	July 2022	November 2022
Microbiology – Point of Care Testing (POCT).	Covid-19 is continuing to have significant clinical effects on the human population. POCT offers the opportunity to obtain a rapid result and is used in primary, community and secondary care settings. This review will provide assurance over compliance with national legislation and local policy, whilst considering capacity restraints within the microbiology unit, including staff rostering and use of on call resource. **Risk ID 733 (SRR) – Adverse Publicity/Reputation – Aging Microbiology Laboratory Equipment, Staffing Requirements and Upgrade to Services.**	August 2022	November 2022

Advisory - added value areas, using specialists.

Assurance area	Outline Scope	Proposed Timing	AC Schedule
Caring for Ayrshire Programme.	As result of the pandemic work in this area has been paused. As this restarts, it will become clear that services are in a different place than that identified at the planning stage. This review will look at the planning being undertaken as the programme is developed, including the planning around leadership and governance for the programme. This will consider how NHS Ayrshire and Arran evaluate the new position, if the process in place can provide assurance that all service changes affected are identified, that the service change has been driven by necessity and should continue for the future fit of service provision. We will use our healthcare advisory specialists to review models of service provision and ascertain if all key transformational and efficiency opportunities have been identified. We will also consider stakeholder engagement and input as a result of these service changes feeds into the Caring for Ayrshire Programme. The exact focus of the scope will be agreed with management at the outset. **Risk ID 669 (SRR) – Objectives and Projects – Reform and Transformation of Services Deliverability (Caring for Ayrshire).**	November / December 2022	March 2023
Organisational Culture	A large component of an organisations complexity is the number and meaning of observable behaviours. In order to succeed, organisations need a strategy which includes both 'what' the organisation is seeking to achieve, but also 'how' it is going to achieve it – its culture. This then needs to be consistently deployed, actively managed and owned. This review will understand your drivers of culture and establish if they are understood through both a design and operational effectiveness evaluation and then validated against the informal perceptions of your employees via the surveys already carried out by NHS Ayrshire and Arran. **Risk ID 743 (SRR) – Adverse Publicity/Reputation – Inform, Communicate and Engage with the Stakeholders (Staff and Public) to Deliver Services.**	January 2023	March 2023

Assurance area	Outline Scope	Proposed Timing	AC Schedule
Quality and Cost Improvement	A focus of the quality strategy 2019 – 2022 is to evaluate the cost impact of your quality improvement priority areas. This review will look at: • The Value for Money approach that has been adopted within the ICU's. • Quality and improvement training which runs alongside projects and feeds into working practices. • The alignment of quality improvement expertise within the high risk area of falls (a Falls Coordinator is now in post). • If a systematic approach is being taken to aligning cost improvements with transforming the quality of patient care and improving efficiencies **Risk ID 703 (SRR) – Financial - Financial Outturn.**	September 2022	November 2022
Cyber Security and Resilience	In the event of an incident relating to IT, there is a risk of disruption to key operations within NHS Ayrshire and Arran which may result in the organisation being unable to maintain vital activities. The exact focus for this review will be determined with management at the time but may consider the plans in place to mitigate against this risk, the rigour of testing activities, and the process for collating and embedding lessons learned into plans. **Risk ID 603 (SRR) – Service/Business Interruption– Cyber Incident**	October 2022	January 2023
Risk Management	As per the strategic internal audit plan, and a requirement of PSIAS, we will review an aspect of risk management. We will determine how Risk Management is actually used in practice including how the risk register is used to inform decisions. This review has been carried over from the 2021/22 plan. **Risk ID - All risks**	October/ November 2022	January 2023

Assurance area	Outline Scope	Proposed Timing	AC Schedule
Management			
Contract Management	Time set aside for the management of the internal audit contract. This includes: Time to produce the internal audit plan, preparing and attending the Audit and Risk Committee, routine management catch ups on internal audit progress	N/A	N/A
Internal Audit Follow Up	We will report against progress in implementing internal audit actions quarterly within our internal audit progress paper. We will validate all recommendations to ensure they are sufficiently implemented and can be closed.	Six monthly committee reporting	November 2022 and March 2023
Contingency	Internal audit days to allow for contingency should there be new or emerging risks and to allow flexibility to the plan.	TBC	TBC

Appendices

Appendix A: Previous internal audit activity

As part of our internal audit planning we have reviewed prior year internal audit annual reports, individual reports and the agreed plans. Set out below is a summary of our proposed and previous years internal audit activity for information as this informed in particular our indicative timing of work over the period, mapped against your Strategic Risk Register.

Risk ID	Title	2022/23	2021/22	2020/21	2019/20
219	Staffing and Competence - Promoting Attendance				Staff Rostering
351	Staffing and Competence - Personal Development Review Process			HR and OD - Grievances	
357	Compliance - Mandatory and Statutory Training*				
417	Compliance - Statutory regulations Management of Occupational Road Risk	Risk Management		Risk Management during Covid - 19	Governance Risk Management
432	Compliance – Statutory Regulations Management of the Estate	PTM	PTM	PTM	PTM
494	Complaints / claims - Legal treatment time guarantee			Handling Complaints	Governance Waiting Times
511	Staffing and competence - Immunisation Programmes - Implementation and Monitoring	Vaccination Programme			
557	Compliance - Information Governance				Governance Compliance with the Controlled Document Policy
603	Service / Business Interruption - Cyber Incident	Cyber Security and Resillience	Command Structure - Management Assurance IT Controls		Cyber Security
634	Patient experience / outcome - General Practitioner Workforce			Workforce Junior Doctors	Unscheduled Care

*Discussion with management, and verification of documentation, identified that management receive assurance against this risk through internal monitoring and reporting of mandatory and statutory training (MAST)

Risk ID	Title	2022/23	2021/22	2020/21	2019/20
668	Staffing & Competence - Transformational Change reform and recovery of services		Redesign of Unscheduled Care Supporting Service Change and Delivery	Clinical Governance (Mental Health)	IJB Directions Theatre Utilisation/Improvement Programme Governance
669	Objectives and projects - Reform and transformation of services deliverability (Caring for Ayrshire)	Caring for Ayrshire Programme	Redesign of Unscheduled Care	IJB - Delayed Discharges	
674	Service / business interruption – Primary Care Sustainability			Financial Sustainability	
695	Staffing and Competence - General (Internal) Medicine Provision at University Hospital Ayr		Pharmacy Operational Controls		
703	Financial – Financial Outturn	Financial Controls Review of PMO Quality and Cost Improvement	Patient Funds Financial Controls Infrastructure and Support Services - Catering Procurement	Covid - 19 Financial Controls Covid- 19 Procurement Controls Financial Controls Financial Sustainability	Patient Funds Financial Controls
733	Adverse Publicity/Reputation – Aging Microbiology Laboratory Equipment, Staffing Requirements and Upgrade to Services.	Microbiology POCT			
741	Injury (physical and psychological) to patients/staff - Staff Support			Clinical Governance (Mental Health) HR and OD - Grievances	
742	Adverse Publicity/Reputation - Provision of Data and Intelligence for the purposes of Planning				Governance
743	Adverse publicity / reputation - Inform, communicate and engage with stakeholders (staff and public) to deliver services	Organisational Culture	Compliance with Policy and Procedures	COVID - 19 Governance HR and OD - Grievances Whistleblowing	Staff Rostering

Risk ID	Title	2022/23	2021/22	2020/21	2019/20
744	Injury (physical and psychological) to service users/staff - Infection Prevention and Control			COVID - 19 Governance	Decontamination and Sterilisation Unit
753	Injury (physical and psychological) to service users/staff - Care Homes			Clinical Governance (Mental Health)	
764	Patient experience / outcome - Registrant workforce supply and capacity	Recruitment	Consultant job Planning Diagnostic Capacity		Staff Rostering Consultant Job Planning

Appendix B: Our Internal Audit Charter

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of NHS Ayrshire and Arran ('the Board'). It supports the Board accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Aim

The aim of this Charter is to set out the management by all parties of the internal audit process. The Charter sets out the context of the internal audit function, including the place of the Audit and Risk Committee, the key personnel, timescales and processes to be followed for each internal audit review.

Role

The internal audit activity is established by the Audit and Risk Committee on behalf of the Board. Internal audit's responsibilities are defined by the Audit and Risk Committee as part of its oversight role.

Professionalism

The internal audit activity will adhere to Public Sector Internal Audit Standards (PSIAS), which are based on mandatory guidance of the Chartered Institute of Internal Auditors (CIIA) including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

The CIIA's Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to the Board's relevant policies and our Grant Thornton Internal Audit manual and internal audit practices. Internal audit activity will also reflect relevant NHS directions, as appropriate.

Appendix B: Our Internal Audit Charter

Authority

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the Board's records, physical properties, and personnel pertinent to carrying out any engagement. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Audit and Risk Committee.

Accountability

The Chief Audit Executive will be accountable to the Audit and Risk Committee and will report administratively to the Director of Finance. The Audit and Risk Committee will recommend to the Board all decisions regarding the performance evaluation, appointment, or removal of the Chief Audit Executive.

The Chief Audit Executive will communicate and interact directly with the Audit and Risk Committee, including between committee meetings as appropriate.

Independence and objectivity

The internal audit activity will remain free from interference by any element in the Board, including matters of audit selection, scope, procedures, frequency, timing, or report content. This is essential in maintaining our independence and objectivity. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.

The Chief Audit Executive will confirm to the Audit and Risk Committee, at least annually, the organisational independence of the internal audit activity.

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Appendix B: Our Internal Audit Charter

Scope and responsibility

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes in relation to the organisation's defined goals and objectives. Internal control objectives considered by internal audit include:

• consistency of operations or programmes with established objectives and goals;

• effectiveness and efficiency of operations and use of resources;

• compliance with significant policies, plans, procedures, laws, and regulations;

• reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information; and

• safeguarding of assets.

Internal audit is responsible for determining a risk based internal audit plan. In doing so, internal audit maintains a proper degree of coordination with external audit. Internal audit may perform consulting and advisory services related to governance, risk management and control. It may also evaluate specific operations at the request of the Audit and Risk Committee or management, as appropriate.

Based on its activity, internal audit is responsible for reporting significant risk exposures and control issues identified to the Audit and Risk Committee and to senior management, including fraud risks, governance issues, and other matters needed or requested by the Board.

Engagement with management

Internal audit aims to work closely with senior and operational managers to develop and deliver a programme of internal audit work that adds value to the Board and encourages continuous process improvement. To achieve this, internal audit will work closely with management during the audit planning and reporting stages, as described below.

Appendix B: Our Internal Audit Charter

Annual internal audit plan

The audit year runs from 1 April to 31 March. At least annually, the Chief Audit Executive will submit to the Audit and Risk Committee an internal audit plan for review. The Audit and Risk Committee will recommend to the Board approval of the plan. The Internal Audit Plan will detail, for each subject review area:

- the outline scope for the review;

- the number of days allocated;

- the timing, including the Audit and Risk Committee to which the final will report will be presented; and

- the review sponsor.

The Internal Audit Plan will be developed using a risk-based methodology, including input of senior management. Prior to submission to the Audit and Risk Committee for consideration, the plan will be discussed with senior management. Any significant deviation from the approved Internal Audit Plan will be communicated through the periodic activity reporting process.

Assignment planning and conduct

Terms of reference (audit planning brief) will be drafted prior to the start of every assignment setting out the scope, objectives, timescales and key contacts for the assignment. Specifically, the terms of reference will detail the timescales for carrying out the work, issuing the draft report, receiving management responses and issuing the final report. The terms of reference will also include the name of the staff member who will be responsible for the audit (review sponsor) and the name of any key staff members to be contacted during the review (key audit contacts).The terms of reference will be agreed with the review sponsor and the key audit contacts (for timings) before the review starts.

The internal auditor will discuss key issues arising from the audit as soon as reasonably practicable with the key contact and/or review sponsor, as appropriate. For each review, a close-out meeting will be held to discuss the initial audit findings within five days of completion of the audit fieldwork.

Appendix B: Our Internal Audit Charter

Reporting and monitoring

A written report will be prepared and issued by the Chief Audit Executive or designee following the conclusion of each internal audit engagement and will be distributed to the review sponsor and key contacts identified in the terms of reference for management responses and comments.

Draft reports will be issued by email within fifteen working days of fieldwork concluding. The covering email will specify the deadline for management responses, which will normally be within a further fifteen working days. The management comments and response to any report will be overseen by the review sponsor. Internal Audit will make time after issuing the draft report to discuss the report and, if necessary, meet with the review sponsor and/or key contact to ensure the report is factually accurate and the agreed actions are clear, practical, achievable and valuable.

The internal auditors will issue the final report to the review sponsor. The final report will be issued within five working days of the management responses being received. Finalised internal audit reports will be presented to the Audit and Risk Committee. The working days set out above are maximum timescales and tighter timescales may be set out in the terms of reference, as required.

Follow up of management actions

The internal audit team will follow-up on engagement findings and recommendations. Internal audit will work with directors or their nominated leads to follow up on completion of agreed management actions. To support this process a protocol for following up outstanding internal audit recommendations has been agreed with the Corporate Management Team. Management's progress in completing actions will be reported to each Audit and Risk Committee meeting, via the standing internal audit progress report. All significant findings will remain in an open issues file until cleared.

Audit and Risk Committee

The Audit and Risk Committee meets five times a year typically, normally in March, May, June, November and January. Dates for the Audit and Risk Committee meetings will be provided to internal audit as soon as they are agreed. The Chief Audit Executive and/or Internal Audit Manager will attend all meetings of the Audit and Risk Committee. Internal audit will schedule its work so as to spread internal audit reports reasonably evenly over the Audit and Risk Committee meetings. The annual Internal Audit Plan will detail the internal audit reports to be presented to each Audit and Risk Committee meeting.

Appendix B: Our Internal Audit Charter

Reporting and monitoring

The Chief Audit Executive will generally present specific reports to the committee as follows:

Output	Meeting
Audit needs assessment	February/April
Annual internal Audit Plan	March
Annual report	June
Progress report	Each meeting
Follow up of Recommendations	November and March

The Audit and Risk Committee will meet privately with the internal auditors at least once a year.

Periodic assessment

The Chief Audit Executive is responsible for providing a periodic self-assessment on the internal audit activity as regards its consistency with the Audit Charter (purpose, authority, responsibility) and performance relative to its Plan. In addition, the Chief Audit Executive will communicate to senior management and the Audit and Risk Committee on the internal audit activity's quality assurance and improvement programme, including results of ongoing internal assessments and external assessments conducted at least every five years in accordance with PSIAS.

Review of Charter

This Charter will be reviewed by both parties each year and amended if appropriate.

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