

Report to	Audit Committee
Date	29/01/18
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Subject	Internal Audit Strategy 2018 to 2021



PURPOSE OF REPORT

- 1 The Internal Audit Strategy 2018-21 is submitted to the Audit Committee for consideration and approval, in compliance with the Public Sector Internal Audit Standards.

EXECUTIVE SUMMARY

- 2 The overall strategy of Internal Audit is to deliver a risk based audit plan in a professional, independent manner, in compliance with the Public Sector Internal Audit Standards 2013. The Strategy identifies how the Internal Audit Service will assist the Authority to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Strategy is submitted for approval on an annual basis.

RECOMMENDATIONS

- 3 The Audit Committee to consider and approve the Internal Audit Strategy 2018–2021.

BACKGROUND

- 4 The requirement for an Internal Audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations (Wales) 2014 places a statutory obligation on the Authority to “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control”.
- 5 The Internal Audit Service's terms of reference are documented in the Service Level Agreement for the provision of financial services with Conwy County Borough Council for the period 1st April 2015 to 31st March 2019.

INFORMATION

STRATEGY STATEMENT

- 6 The overall strategy of Internal Audit is to deliver a risk based audit plan in a professional, independent manner and in compliance with the Public Sector Internal Audit Standards 2013, to provide the organisation with objective assurance and undertake consulting activities designed to add value and improve the Authority's operations. The Internal Audit Service will assist the Authority to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

DEFINITION AND OBJECTIVE

- 7 In compliance with the Public Sector Internal Audit Standards which came into force in April 2013, the Head of Internal Audit is required to develop and maintain a strategy for delivering the Internal Audit service. Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. The control environment includes all authority operations, resources, services, and its responsibilities to other bodies.
- 8 The Accounts and Audit Regulations require the NWFRA to produce an Annual Governance Statement each year. The Head of Audit provides an annual report to those charged with governance to support the production of the Annual Governance Statement. This formal report includes an opinion on the overall adequacy and effectiveness of the risk management systems and the internal control environment; disclosure of any qualifications to that opinion together with reasons; a summary of the of the audit work upon which the opinion is based; the extent to which reliance upon the work of other assurance bodies has been placed; and any issues considered relevant to the preparation of the Annual Governance Statement.
- 9 Internal Audit operates in a consultancy role in advising managers in relation to issues within its remit, such as the implementation of appropriate controls in terms of new projects, developments and systems. The exact allocation of resources in respect of consultancy work is determined in the audit plan. Separate time allocations are allowed for consultancy activities, fraud related work and follow up audits.

STATUS

- 10 Internal Audit is responsible to the Treasurer for line management purposes, and helps to discharge the statutory functions of the Chief Finance Officer as defined in Section 151 of the Local Government Act 1972. However Internal Audit is independent in its planning and operation.
- 11 The Head of Audit Services has direct access to the Chief Fire Officer, all levels of management and elected members. Internal Auditors have the authority to:
- enter at all reasonable times any authority establishment.
 - have access to all records, documents, information and correspondence relating to any financial and other transaction as considered necessary, for the purposes of audit review and/or investigations.
 - evaluate the adequacy and effectiveness of internal controls designed to secure assets and data to assist management in preventing and deterring fraud.
 - request explanations as considered necessary to satisfy themselves as to the correctness of any matter under examination.
 - require any employee of the NWFRA to produce cash, materials or any other property belonging to the authority in their possession or under their control.
 - access records belonging to third parties, such as contractors or partners, when required and appropriate.

DELIVERY OF THE AUDIT SERVICE

- 12 The Head of Audit Services is responsible for delivering the audit service in accordance with the Service Level Agreement. To ensure that this can be achieved, there are appropriate arrangements for:
- determining and planning the work to be carried out based upon a Needs Assessment and a risk based planning process, an annual operational audit plan and monthly work plans. All plans are based on an assessment of risk.
 - providing the resources required to deliver the audit plan, the necessary skills (both in general audit and technical areas) and support facilities, such as IT facilities, equipment and management and administration processes.

- 13 The Internal Audit service will be delivered on the basis of a Needs Assessment (Appendix A), a risk based approach to determining the needs of the Authority at the start of each year and detailed operational plans which will be presented to the Audit Committee on an annual basis for approval. The assessment sets out the number of days required for Internal Audit to adequately review the areas involved, and a risk assessment level for each planned audit assignment. The overriding objective of this approach is to ensure that Internal Audit is able to present an opinion on the control environment by directing adequate resources based on the relative risks of the operations, resources and services involved, using a formal risk assessment process. The risk assessment process takes account of a range of strategic, corporate, service and operational risks, including those identified through the Risk Management process and by the external auditor and the views of senior management on these issues. Where resources available are not considered by the Head of Audit Services to be adequate for such an opinion to be provided, this will be reported to the organisation through the Executive Panel.
- 14 The Plan balances the following requirements:
- the need to ensure the Audit Plan is completed to the target levels established by the section's performance indicators;
 - the need to ensure core financial systems are adequately reviewed to provide assurance that management has in place proper arrangements for financial control on which External Audit will place reliance;
 - the need to appropriately review other strategic and operational arrangements;
 - the need to have uncommitted time available to deal with unplanned issues which may need to be reviewed or investigated;
 - the relative allocation of resources between assurance, fraud related and consultancy services provided by internal audit.
- 15 Progress against the operational plan and the content of the plan, will be kept under review by the Head of Audit Services in liaison with the Treasurer and through monitoring corporate and service developments. The Audit Committee will be advised of performance against the operational plan.
- 16 Internal Audit will comply with the Public Sector Internal Audit Standards (PSIAS), which became effective from 1st April 2013. The Head of Audit Services will ensure that there is an up to date Audit Manual in place setting out expected standards for the service and will monitor compliance with these standards, including in relation to the planning, conduct and reporting of audit assignments.

- 17 An external assessment of Internal Audit's conformance against the PSIAS was undertaken on 31st October and 1st November 2016 by Wrexham County Borough Council. The external assessors' overall opinion was that the Internal Audit Service generally conforms with the PSIAS and Code of Ethics in all significant areas and that it operates independently and objectively.
- 18 Conwy County Borough Council has established a Performance and Development Review Policy, which identifies the training, and development needs of its employees. The Internal Audit Section relies heavily upon the effectiveness of its staff to deliver high quality services. The aim of the PDR process is to reinforce and strengthen the relationship between individual performances, expectations of management, and organisational goals. In addition, the PSIAS (1230) requires the Head of Audit and Procurement Services to ensure that the Internal Audit Section has access to the full range of knowledge, skills, qualifications and experience to meet the Section's objectives and standards.
- 19 Internal Audit will aim to co-operate effectively with the external auditor and ensure that appropriate reliance can be placed on Internal Audit's activities.
- 20 The reporting approach for Internal Audit is set out in the approved Service Level Agreement and Internal Audit will comply with this approach as the most efficient method of delivering the outcomes of its work.
- 21 In the delivery of each assignment Internal Audit will look to make practical recommendations based on the findings of the work and discuss these with management, such that management commit to an appropriate action plan for implementing any necessary improvements to the control environment.

IMPLICATIONS

Wellbeing Objectives	Taken into consideration and incorporated within the Strategy.
Budget	No additional cost pressures; budget set for 18/19 incorporates the SLA with CCBC for the provision of financial services.
Legal	Compliance with Section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2015.
Staffing	No implications; Internal Audit Strategy implemented by Conwy Internal Audit staff.

<p>Equalities/Human Rights/ Welsh Language</p>	<p>Conwy Internal Audit Services operates in accordance with legislation.</p>
<p>Risks</p>	<p>Failure to produce a strategy and appropriately plan the work of the Internal Audit Service would result in an undisciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes and negatively impact on improvement of the Authority's operations. This would weaken the governance framework and could lead to the Authority receiving an adverse opinion on its arrangements for an effective Internal Audit Service, as required under relevant legislation.</p>

NORTH WALES FIRE AND RESCUE AUTHORITY
Internal Audit Needs Assessment 2018/19

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment	2018/19 Days	Comments
Risk Area – Strategic Management and Governance					
1	Corporate Governance	Legal Compliance Arrangements; Policy and Decision Making; Scheme of Delegation; Codes of Conduct - Officers; Codes of Conduct - Members; Training and Awareness; Chief Officers Pay; Standing Orders and Financial Regulations; Anti-fraud and Whistle-blowing; Environmental Policy.	A		<p>The Authority has established a Local Code of Governance, which is used as the standard to measure the Authority's performance against in a self-assessment carried out at the end of each year to form the Annual Governance Statement (AGS).</p> <p>Corporate Governance Audit 2013/14 – High Assurance</p> <p>Corporate Governance Follow up – November 2015 – Of the 11 recommendations made in the audit report issued in May 2014; 4 recommendations were fully implemented, 5 considered to be work in progress, 1 partially implemented and the recommendation regarding the establishment of a Sustainability & Environmental Strategy is currently outstanding.</p> <p>WAO 2017 Audit Plan (Performance Audit) –</p> <ul style="list-style-type: none"> • Well-being Future Generations (WFG) baseline assessment • WFG scrutiny review – impact of WFG Act on the work of scrutiny committees.

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment		2018/19 Days	Comments
2	Service Planning	Corporate Planning; IRMP; BVPP; Service Unit Plans; CPA Improvement Plan; Modernisation; Consultation; Risk Assessment; Resourcing and Financial Approval; Improvement Co-ordinating Unit	B			WAO Annual Improvement Report 2014/15.
3	Performance Management	Roles and Responsibilities; Target Setting; Data Collection; Data Quality Control; Reporting; Use of Management Information to support Service Improvement.	A			WAO Annual Improvement Report 2015/16. 'Assessment of Performance Audit' WAO Annual 'Improvement Plan' Audit.
4	Risk Management, Emergency Planning and Business Continuity	Policy and Framework; Roles and Responsibilities; Training; Corporate Risk Register; Integration with Management Processes ; Monitoring and Assurance Mechanisms; Reporting; Emergency Planning; Risk Assessment; Business Continuity; Urban Search and Rescue; Compliance with CCA 2004; Working with Partner Agencies and Local Businesses; Resilience Forums; Mobile Conference Facilities;	A			WAO Annual Improvement Report 2014/15. Use of Resources – <i>'The Authority has Managed the delivery of efficiencies whilst sustaining safe levels of Service but the reduction in Corporate capacity is likely to slow the pace of future change.'</i> Corporate Governance Audit performed in 2013/14 included an assessment & recommendations with regard to risk management & Corporate Risk Register – High Assurance.

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment		2018/19 Days	Comments
5	Equalities and Diversity	Compliance with Legislation; Policy, Practice and Procedure; Responsibilities; Awareness and Training; Performance Management.	C			WAO Annual Improvement Report 2015/16. Welsh Language Commissioner's review of the Authority's Welsh Language Scheme.
Risk Area – Operational Service Delivery						
6	Control Room Operations Incident Response and management	Compliance with Key Risk Mitigation; Mobilisation Procedures; Incident Response Prioritisation; Monitoring and Measuring Performance; Staffing and Resources; Training; Incident Command System.	C			
7	Hoax Call Procedures	Policy and Procedure; Recording and Monitoring; Education; Communication.	C			
8	Community Fire Safety and Arson Task Force	Communication; Education; Resourcing Risk Profiling; Working with Business, LEAs, CYPT, YOT, other FRSS Sprinklers project; Smoke Alarms; Home Fire Safety Checks; Community Safety Events; Vehicle Recovery.	C			WAO Annual Improvement Report 2015/16 – 'Review of Fire Safety arrangements' – The detailed report contained two proposals for improvement for implementation at a national level. A review of Community Fire Safety's partnership working was undertaken during 2010/11. The Audit opinion was Adequate. Follow up audit performed July 2012 – revised audit opinion - Satisfactory. HFSC audit performed in 2014/15 – Audit Opinion - Satisfactory HFSC Follow up (November 15) - 10 recommendations were made in the audit report issued in January 2015; 5 recommendations have been fully

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						<p>implemented, 4 are partially implemented and the recommendation regarding the submission of the Annual Report to the Executive Group for scrutiny and approval is currently outstanding.</p> <p>Rhyl Community Fire Station 2014/15 – Audit Opinion – Satisfactory</p> <p>RCFS Follow up (November 15) Of the 11 recommendations made in the audit report issued in March 2015; 8 recommendations have been fully implemented, 1 is considered to be work in progress, 1 is partially implemented and the recommendation regarding the production of an Annual Report is currently outstanding.</p>
9	Inspection & Investigations	Compliance with Policy; Inspections Programme; Online assessments; Compliance with building control; Issue of licences/certificates; Income from inspections and Licences.	C			Income from inspections & licences covered as part of Income audit preformed in 2013/14.

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10	Partnership Working	Partnership Governance; Risk Assessment; Crime and Disorder Reduction; Local Strategic Partnership; Local Area Agreements; LEAs and others.	B			<p>A review was undertaken during 2010/11 of the Authority's (CFS) partnership working evaluating the governance arrangements and the adequacy of the internal controls incorporated within each system, identifying any control weaknesses and areas of potential risk. The Audit opinion was Adequate.</p> <p>Follow up audit performed July 2012 – revised audit opinion - Satisfactory.</p> <p>HFSC audit performed in 2014/15 – Audit Opinion - Satisfactory</p>
Risk Area – People Management						
11	Health and Safety	Compliance with Legislation; Policy, Practice, Procedure; Responsibilities Awareness and Training Performance Management Incident Monitoring and Reporting; Insurance (Public and Employers liability)	B			
12	Managing Attendance (uniformed and non uniformed)	Compliance with Policy; Reporting and recording absence; Performance Information.	C			<p>Special Investigation undertaken during 2011/12 of Time off in Lieu & other HR issues.</p> <p>Attendance Management audit report issued December 2016 – Satisfactory Assurance (4 recommendations)</p>

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment		2018/19 Days	Comments
13	Staff Training and Development (uniformed and non uniformed)	Implementation of IPDS; Skills Assessment; Development Portfolios; Personal Development Reviews; Performance Appraisal; Training Facilities; Joint Training Schemes; Succession Planning; Leadership Development (Service Improvement); Value Centred Training.	C			WAO performance work performed 2011/12 – Themed Study – HR and workforce planning.
14	Recruitment and Selection	Compliance with Recruitment Policies and Procedures; Equalities and inclusion; Pre-employment checks; Performance Management.	C			Pre-employment checks eg. References, CTB checks covered as part of Starters and Leavers audit 2014/15 – Audit Opinion - Satisfactory.
Risk Area – Project Management						
15	Project Management	Special Projects Unit; Roles and Responsibilities; Project Prioritisation; Risk Assessment; Compliance with Prince 2; Training in Project Management; Monitoring and Delivery; Financing.	B			The Head of Facilities & Logistics Management Department for North Wales Police Authority proposed that the Final Account at Rhyl Community Fire Station be assessed for any irregularities. As part of the 2011/12 audit plan Conwy's Internal Audit Service performed a review of this contract. Audit Opinion – Satisfactory

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment	2018/19 Days	Comments
Risk Area – Financial and Fraud Risks					
16	Financial Planning & Budgetary Control	Funding Arrangements Resource Allocation Medium Term Financial Planning Budget setting and approval Financial delegations Budget Monitoring Financial Forecasting/Reporting	A		<p>WAO 2017 Audit Plan (Financial Audit)</p> <ul style="list-style-type: none"> • review the key controls to support the production of accurate accounts, including main accounting system; • review of draft financial statements; • review Authority's accounting practices and disclosures; • review the accounting and disclosure of property, plant & equipment and progress with updating the asset register for IT. <p>WAO Annual Improvement Report 2015/16. 'Financial Resilience Assessment' – The review found that the Authority's arrangements for achieving financial resilience were sound.</p>
17	Payroll	Starters, Leavers, Amendments; Payment Control; Certification; Accuracy; Monitoring; Reporting.	A		<p>Payroll CAATS Audit 2008/09 - Audit Opinion was Good. Retained Pay - Review of new electronic FIN 8 procedures undertaken during 2011/12 – Audit Opinion - Satisfactory.</p> <p>Payroll Amendments to Pay audit 2015/16 - Audit Opinion was Satisfactory; Follow up performed May 2016 revised audit opinion to High Assurance.</p> <p>Payroll Starters & Leavers audit performed in 2014/15 – Audit Opinion - Satisfactory. Payroll Starters & Leavers Follow up – April 2015. Of the 7 recommendations made in the audit report issued in July 2014; all 7 recommendations have been implemented.</p>

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment		2018/19 Days	Comments
18	Employee & Members Allowances	Claims, authorisation and Travel and Subsistence; Long Service Awards; Residential Allowances;	D			Internal Audit Review of Members Allowances 2005/06. Audit Opinion was Good. Employee Allowances included in Payroll amendments to Pay audit 2008/09.
19	Pensions	Notification to Administering Authority; Verification of Changes; Unfunded Charges.	C			WAO 2017 Audit Plan (Financial Audit) – review the accounting and disclosure of the pension schemes to ensure that they are in line with the relevant accounting requirements. WAO Annual Improvement Report 2014/15. Internal Audit Review – Pensions (Data Quality) - May 2016 Satisfactory Assurance (9 Recommendations)
20	Procurement & Purchasing	Procurement Strategy; Efficiency and Value for Money; E Procurement; Compliance with Financial regulations and Contract Standing Orders; Purchasing and Payment Procedures; Credit Card Expenditure; Cash Expenditure.	B			WAO Annual Improvement Report 2014/15. Creditors audit performed 2012/13 – High Assurance. NWFRS NFI – Planned Maintenance & Minor Works – Audit Performed 2015/16 – Limited Assurance Follow up December 16 – revised opinion – High Assurance

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment		2018/19 Days	Comments
21	Capital Strategy and Accounting	Strategy and Programme Setting/Approval; Monitoring; Capitalisation/ Authorisation of Expenditure ; Prudential Borrowing; Fixed Asset Management and Accounting; Fixed Asset Register; Asset Valuation/Depreciation; Insurance; PFI Schemes incl VAT.	A			WAO Annual Improvement Report 2015/16.
22	Fleet Management and Fuel	Procurement/Leasing; Management and Strategic Alignment; Maintenance and Inspection; Fuel Issues and Usage; Disposal; Insurance.	C			Fuel Management audit performed 2014/15. Audit Opinion - Satisfactory Fuel Management Follow up – October 2015. Of the 7 recommendations made in the audit report issued in November 2014; 1 recommendation has been implemented, 1 is partially implemented and 5 are subject to ongoing work.
23	Income Collection & Banking	Receipt of Funds; Grant Income; Precept Income: Collection and Accounting Procedures; Miscellaneous Income; Compliance with Charging Policy; Inspection Certificate Income; Cash Security and Banking; Insurance.	C			Income audit performed 2013/14 – High Assurance.
24	Stores	Stock Control, Valuation and Recording; Purchasing and Receipt; Security of Stores; Security of IT System; Issue and Returns Procedures; Insurance.	D			Stores audit performed 2012/13 – High Assurance

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment		2018/19 Days	Comments
25	Equipment Security and Inventory	Inventory Level; Recording and Reviewing; Marking of Equipment; Loan of Equipment; Physical Security of Location; Insurance.	C			Equipment Security & Inventory Audit Review 2007/08. Included in Retained Stations audits 2009/10 – 2013/14.
26	Utility Costs and Service Contracts	Tendering and Value for Money; Monitoring Energy Costs; Compliance with Financial Regulations.	C			
27	National Fraud Initiative	Payroll Download; Creditors Download; Investigation of Output from National Matching Exercise.	B			NFI data matching of payroll and creditors data to be conducted every 2 years. NFI work performed 2013/14 – High Assurance NFI work performed 2015/16 – High Assurance
28	Main Financial Systems <ul style="list-style-type: none"> • Payroll • Creditors • Debtors • Treasury Management • Accounting System • Anti Fraud 	Completeness, Accuracy and Validity of Transactions; Correct Accounting; Monitoring and Reporting; Efficiency; Value for Money; Documentation of Systems; Compliance with Financial Regulations and Procedures.	A			Covered by Audit of CCBC Systems on an annual basis. Creditors audit performed 2012/13 – High Assurance

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment		2018/19 Days	Comments
Risk Area – Reputation and Public Confidence						
29	Complaints Procedures	Policy, Procedure, Best Practice; Compliance; Monitoring and Reporting; Service Improvement; Compensation.	C			
30	Corporate Communications	Communications Strategy; Marketing and Media; Responsibilities; Incident monitoring.	C			
Risk Area – Information Management and Technology						
31	IT Strategy and Management	Strategy Development and Resourcing; Policies and Management Framework; Internet and Email Control; Responsibilities; ICT Procurement and Development; Insurance.	C			<p>The audit assessed the degree of control over the key risks for accessing information on the organisation's IT systems and will specifically review the following areas for compliance with ISO 27000 information security standards.</p> <ul style="list-style-type: none"> • User access control • Computer access control • Application access control • Monitoring system access and use • Access control over personal information

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32	Network Management	Security and Control; Physical and Logical Security; Back Up and Disaster Recovery; Performance; Hardware, Media, Topology; Security and Control: Management Support: Communications Software; Wireless Connections.	C			<p>Network Management audit undertaken 2008/09. Audit Opinion - Satisfactory.</p> <p>Audit of IT Security undertaken in 2010/11. Audit Opinion - Satisfactory.</p> <p>Cyber Security (Part 1) 2016/17 – Limited Assurance (18 Recommendations) – follow up to be performed 2018/19.</p> <p>Cyber Security (Part 2) Audit scheduled to be performed during 2017/18 - results will be reported in Annual Report 2017/18</p>
33	Telecomms (non control room)	Security and Control; Physical and Logical Security; Back Up and Disaster Recovery.	C			
34	E Government	Strategy; Resourcing; Initiatives; Performance.	C			<p>E Government Audit 2009/10 - The aim of the audit was to determine the degree of control over risks for the following: e-Government vision Collaborative working, e.g. between authorities Customer requirements Funding Technical solutions Capacity – people and skills Business processes Focus is on strategic controls over the key risks threatening the e-Government vision/programme.</p> <p>Audit Opinion – Good</p>

	Main System and Subsystem	Potential Areas for Audit	Risk Assessment		2018/19 Days	Comments
35	Control Room IT	Cell Phones; Radio System; Call Out System; Physical Security; Back Up and Disaster Recovery; Performance Monitoring.	C			
36	Data Protection / Freedom of Information	Compliance with Legislation; Staff Awareness; Information requests; Monitoring and Performance.	C			<p>Data Protection Audit 2009/10 - to determine whether activities involving the processing of personal data are carried out in accordance with the Authority's data protection policies and procedures, and whether this processing meets the requirements of the Data Protection Act 1998. Audit Opinion – Satisfactory.</p> <p>Freedom of Information audit 2010/11 - to ensure compliance with the statutory requirements of the Freedom of Information (FoI) Act 2000. Audit Opinion - Satisfactory</p>
Risk Area – Other Systems						
37	Canteen Operation	Agreement and Monitoring; Food Hygiene and cleanliness; Staff Training; Income Collection and Banking; Ordering Procedures.	C			
38	Welfare Funds	Written procedures; Welfare Fund Records; Bank Reconciliations; Independent Audits.	C			Welfare Funds audit undertaken 2008/09. Audit Opinion was Unsatisfactory. Follow up undertaken 2009/10 – Audit Opinion – Adequate.

Risk Area – Other Audit Work				
	Audit Planning, Annual Report and Management			
	Follow up of Previous Recommendations			
	Contingency Reserve			
		Total 2018/19 Coverage	50	
<p>Risk Assessments – The Needs Assessment documents each project and allocates a risk rating in respect of each auditable area, based on the completion of a risk matrix held on the Internal Audit Section’s Apace Audit Planning and Control System. The risk assessment dictates the degree of risk and the subsequent frequency of each audit. Where an area has not been recently reviewed by either Internal Audit or WAO a ‘C’ risk rating is allocated until such time as an audit review is performed and an informed opinion can be made. The current risk ratings are as follows:</p> <ul style="list-style-type: none"> • Risk Rating A - High Risk Requiring an Annual Review • Risk Rating B - High Risk Requiring a review every 2 years • Risk Rating C - Medium Risk Requiring a review every 3 years • Risk Rating D - Low Risk Requiring a review every 4 years 				