

DRAFT Internal Audit Reporting and Escalation Protocol

November 2018

1. INTRODUCTION

The Head of Revenues and Financial Compliance at Carmarthenshire County Council is responsible for the Authority's Internal Audit service. Where Internal Audit reviews are undertaken on functions headed by the Head of Revenues and Financial Compliance, there is a potential conflict of interest arising from reporting lines.

2. PURPOSE

Internal Audit works to the Public Sector Internal Audit Standards which came into force on 1 April 2013. Professional standards require that Internal Audit be independent from management and the activities which it audits. This is essential to Internal Audit's proper conduct and impartial advice to management. The Public Sector Internal Audit Standards require Internal Auditors to conform to a code of ethics; the four principles of the code of ethics are:

- Integrity,
- Objectivity,
- Confidentiality, and
- Competency.

This document sets out the reporting process within the Internal Audit team and the escalation process to follow should a conflict of interest arise, ensuring the code of ethics is adhered to at all times.

3. SCOPE

This protocol is relevant to the Carmarthenshire County Council Audit Committee, the Executive Board Member for Resources, the Director of Corporate Services, the Head of Revenues and Financial Compliance, the Principal Auditor and the Internal Audit team.

4. REPORTING AND ESCALATION

In line with the job profile of the Principal Auditor, it is the Officer's responsibility to formulate a 3-year strategic audit plan, which is risk based. The Principal Auditor will prioritise, organise and manage the workloads of the Internal Audit team to deliver the plan.

The Principal Auditor is responsible for the review and sign-off of all Internal Audit reviews, considering all aspects of reviews from commencement to Final Report. The Head of Revenues and Financial Compliance will have no involvement in undertaking Internal Audit reviews relating to the Revenues and Financial Compliance Service.

Where Internal Audit reviews are undertaken on functions headed by the Head of Revenues and Financial Compliance, the reports will be issued in the name of the Principal Auditor.

The Final Reports for all audit assignments undertaken by Internal Audit are issued to the Director of Corporate Services, the Audit Committee Chairperson and Vice-Chairperson, the Executive Board Member for Resources, the relevant Department Executive Board Member, the relevant Head of Service and the Leader of the Council.

Should an issue arise within, or require escalating in relation to, the Revenues and Financial Compliance service, the Principal Auditor shall have unfettered access to the Director of Corporate Services.