



Dacorum Borough Council

Indicative Audit Strategy 2024/27 and Annual Plan 2025/26

February 2025

Revised Draft

Executive Summary

Introduction

The Audit Plan for 2025/26 has been informed by a risk assessment carried out across our clients in the sector and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks. This coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Risk Considerations

We have identified a number of key areas which require consideration when planning internal audit coverage:

Financial Management: Five local authorities since 2021 have declared themselves effectively bankrupt, with a number warning they may have to do the same. The LGA has identified a funding gap of 2.3 billion pounds in 25/26 and 3.9 billion in 26/27. This raises the importance of maintaining adequate financial controls.

Gap in Funding for Core Services: There is a risk that inflationary pressures and adverse financial circumstances might lead to a gap in funding to local councils and on key services.

Housing: Local authorities are struggling to build affordable housing that is needed. The number of social housing tenants in England complaining of damp and leaks is on course to more than and complaints handling related to maintenance is a continuing concern.

Project Management: Implementing collaboration between Councils, local authorities and other partners continues to be a significant challenge. As well as adding to financial pressures, project failure can impact services or residents lives and result in significant reputational damage.

Audit Strategy Methodology

In producing this audit strategy and annual plan, we have sought to build on our understanding of Dacorum Borough Council's operating environment and risk profile through a review of key documentation and discussions with key staff and board/committee. We have taken into account:

- Dacorum Borough Council's business strategy and corporate objectives.
- The regulatory and legislative framework.
- Dacorum Borough Council's risk register.
- External Audit recommendations.
- External sources of assurance.
- Previous Internal Audit coverage.

We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately prioritised and focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Our approach complies with the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and the Public Sector Internal Audit Standards (PSIAS).

Internal Audit Strategy and Plan

The Audit Strategy at Appendix A incorporates the proposed annual plan for 2025/26 and the indicative coverage for the following two years.

The Annual Plan at Appendix B sets out the assignments that will be carried out in 2025/26, the planned times and the high-level scopes for each of these assignments.

The Annual Plan will be subject to ongoing review and could change as the risks change for the Dacorum Borough Council; this will be formally reviewed with senior management and the Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and Dacorum Borough Council. This number of days is fixed, and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where Dacorum Borough Council agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Chief Finance Officer/s and will be clearly set out in the terms of reference for the additional review(s).

Adequacy of the Planned Audit Coverage

The reviews identified in the audit plan for 2025/26 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of Dacorum Borough Council's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

Disclaimer

This document has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent.

No responsibility to any third party is accepted as the document has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this document and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our document.

Release of Report

The table below sets out the history of this plan:

Draft Strategy and Plan:	15 th January 2025
Revised Draft Strategy and Plan:	5 th February 2025
Final Strategy and Plan:	

Appendix A: Rolling Strategic Plan

Review Area	Review Area	BAF/Risk Ref	Type	2024/25	2025/26	2026/27
Governance						
Performance Management	Assurance		Assurance			✓
Community Engagement	Assurance		Assurance	✓		
Joint Working Arrangements	Assurance		Assurance			✓
Collaboration and Partnership Services	Assurance		Assurance	✓		
Risk						
Risk Management Framework	Core		Assurance	✓	✓	✓
Business Continuity	Assurance		Assurance	✓		✓
ICT						
Use of Social-Media	Assurance		Assurance	✓		
Cyber Security Maturity Assessment	Assurance		Assurance			✓
ICT – Support for New Projects	Assurance		Assurance			✓
Finance						
Financial Resilience	Core		Assurance	✓	✓	✓
Key Financial Controls	Core		Assurance	✓	✓	✓
Capital Programme	Assurance		Assurance	✓		✓
Income – Cash and Bank	Assurance		Assurance	✓		
MTFS	Assurance		Assurance	✓		✓
Review of Licensing	Assurance		Assurance		✓	
Operational Performance and Infrastructure						
Maintenance			Assurance			✓

Review Area	Review Area	BAF/Risk Ref	Type	2024/25	2025/26	2026/27
Fleet Management Strategy			Assurance	✓		
Homelessness/Allocations	Assurance		Assurance	✓		
Parking Services Income / Partnership	Assurance		Assurance		✓	
Procurement	Assurance		Assurance		✓	
Contract management and governance	Assurance		Assurance		✓	
Community Grants	Assurance		Assurance		✓	
Data Protection & Information Governance	Assurance		Assurance		✓	
Housing Transformation and Improvement (Delayed by DBC from 24/25 to 25/26)	Assurance		Assurance			✓
Carbon Reduction	Assurance		Assurance		✓	
Grievance Reporting and Management	Assurance		Assurance			✓
Insurances	Assurance		Assurance		✓	
Planning Enforcement	Assurance		Assurance			✓
Workforce						
Governance – Gifts and Hospitality	Assurance		Assurance		✓	
Workforce Planning	Assurance		Assurance	✓		
Absence Management	Assurance		Assurance	✓		
Grievance Reporting and Management	Assurance		Assurance	✓		✓
Agile Working	Assurance		Assurance	✓		
Recruitment and Training	Assurance		Assurance	✓		
Contingency	TBC				✓	
Follow Up			Follow Up	✓	✓	✓

Review Area	Review Area	BAF/Risk Ref	Type	2024/25	2025/26	2026/27
Anti-social behaviour management	New				✓	
Leasehold & Service charges	New				✓	
Added Value Audit Areas						
PPM (Limited Assurance in 2024/25)	Follow Up	Limited assurance in 24/25			✓	
Climate Change (Limited Assurance in 2024/25)	Follow Up	Limited assurance in 24/25			✓	
Management and Planning						
Annual Planning			Management	✓	✓	✓
Annual Report			Management	✓	✓	✓
Audit Management			Management	✓	✓	✓
Total Days				225	225	225

List of Advisory Reviews Not Included in The Audit Plan

Below is a list of reviews which are undertaken by our Specialists Staff and are available in addition to the plan:

Review	Indicative High-Level Scope
Website Penetration Test	Web application penetration testing is the practice of simulating attacks on a system in an attempt to gain access to sensitive data, with the purpose of determining whether a system is secure. This is done in a safe and secure way with a report identifying weaknesses and remedial action.
Health and Safety Reviews	To provide assurance on a range of Health and Safety related topics to provide assurance and advice on compliance with statutory requirement and regulations.
Governance Effectiveness Reviews	The review will consider the Senior Managements effectiveness - including whether it has the structure, processes, people and performance to deliver. The review will also consider how they interact with stakeholders, and whether respective roles are clear.
Climate Change	Deep Dive into selected aspects of climate change using a qualified subject matter expert.

Appendix B: Annual Plan – 2025/26

Quarter	Review	Type	Days	High-level Scope
Core Reviews to support the Head of Internal Audit Opinion				
1	Financial Resilience	Assurance	14	Confirm the realism and likely delivery success of identified saving within the current financial year and the Medium-Term Financial Plan.
1	Key Financial Controls	Assurance	12	<p>Key financial controls will be reviewed on an annual basis covering main finance systems and processes, with a more detailed review of each finance area on a modular basis over a three-year period. For 2025/26, the focus will be Payroll and Budgetary Controls.</p> <p>Scope: The control objectives that will be considered as part of this audit include: · Formally approved budgets are set each year, taking into account all relevant income and expenditure · All budget adjustments (including virements) are authorised · The financial management system accurately reflects the agreed budgets · Budgets are allocated to named individuals · Budgets are adequately monitored · The budget position is regularly reported · Appropriate financial reserves are maintained in line with assessed risks</p> <p>Scope: To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Payroll function. The audit will focus on the following key areas: · Recommendations from the previous audit report have been implemented; · Adequate policies and procedures are in place and accessible to all relevant staff; · System access is restricted to authorised personnel only; · Payroll data is supported by proper documentation, properly authorised, and subject to satisfactory segregation of duties; and · Reasonableness checks and regular reconciliations are carried out.</p>
2	Risk Management Framework	Assurance	12	Confirm the adequacy of identification of risks in relation to key objectives and realism and likely success of identified mitigation and associated actions.
Suggested other Topics				
2	Review of Licensing	Assurance	10	<p>The objective of the audit is to review policies and procedures relating to the different types of licences, assessment, processing and evaluation of applications for licences, collection of correct fees, and reporting on the licencing processes to the Licensing Committee.</p> <p>Rationale: This is a periodic audit to provide assurance over the licensing process. Scope: To assess the adequacy and effectiveness of the internal controls in place at the Councils for managing the administration of licences. The audit focused on the following key areas: · Policies and procedures; · Compliance with legislative requirements; · Issuing of licences within required timescales; · Receipt of monies for licence fees; · The maintenance of public registers; and · Premises inspections.</p>
1	Contract management and governance	Assurance	10	Review of contracts managed to ensure that the targets attached to the key performance indicators in the contracts are being met.

Quarter	Review	Type	Days	High-level Scope
1	Anti-Social behaviour management	Assurance	10	<p>Housing allocations and management of Homelessness. periodic review focusing on the processes in place for managing the housing register and allocations, and the prevention/relief of homelessness. Key areas will include:</p> <ul style="list-style-type: none"> • Community safety. • Tenancy enforcement. • Race hate crime. • Appropriate performance indicators are in place and regularly reviewed. • Management are provided with regular updates of the performance of the service in order to be able to take action to address any issues identified.
1	Parking Services Income / Partnership	Assurance	10	<p>Policies & procedures, accounting for income, joint committee, management info, cash collection processes, refunds, security & keys, debt management, enforcement, complaints. focusing on the management of car park income. The review will include the following key areas:</p> <ul style="list-style-type: none"> • Car park charges are periodically reviewed and benchmarked to surrounding areas. • Arrangements for the collection, recording and banking of all car park income, and the adequacy of records being maintained. • Adequate parking enforcement arrangements are in place to ensure maximisation of Income. • All income received is adequately protected from loss. • Adequacy of budget monitoring, performance management, and reporting arrangements.
2	Governance – Gifts and Hospitality	Assurance	10	<p>Transparency of the receiving of gifts and hospitality is fundamental to the governance arrangements at the Council. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> • The gifts and hospitality policy and procedures are clearly outlined for staff and members. • Staff and Members’ gifts and hospitality registers are maintained and are up to date. • Gifts and Hospitality disclosures by staff and Members are reviewed by the Council’s Standards Committee. • Members’ gifts and hospitality declarations are available for inspection by members of the public on the Council’s website.
2	Community Grants	Assurance	10	<p>A periodic review focusing on the process for awarding grants and monitoring compliance with grant funding conditions. Key areas will include:</p> <ul style="list-style-type: none"> • Appropriate records are maintained to verify applicant eligibility. • Grants are appropriately approved by committee or delegated officers. • All monies expended are done so in accordance with the grant agreement. • There are adequate controls in place with regard to how grant money is spent. • Adequate budget monitoring and management of grants awarded takes place.

Quarter	Review	Type	Days	High-level Scope
2	Data Protection & Information Governance	Assurance	12	<p>To review the adequacy of the Information Governance arrangements in place at the Council and compliance with Data Protection legislation. Key areas to be reviewed include:</p> <ul style="list-style-type: none"> • Governance arrangements, data security and breach management. • Privacy Notices. • Records of Processing Activities and Information Asset Registers. • Data Subject rights. • Data Protection Impact Assessments. • Data Processors.
3	Procurement	Assurance	10	<p>Controls and processes in place for managing Council Procurement. Key control objectives to be considered during the review include:</p> <ul style="list-style-type: none"> • The control framework is adequate to ensure that procurement exercises comply with the Public Contracts Regulations 2015 and the Council's Constitution, policies and procedures. • Systems allow for an appropriate audit trail to be maintained for all procurement exercises (including waivers) and appropriate records are maintained in compliance with the Transparency Code. • Value for money is achieved when selecting and awarding contracts to suppliers.
3	Carbon Reduction	Assurance	10	<p>Review of implemented processes and plan in place to achieving carbon neutrality by 2030 and improving on the 40% reduction in carbon footprint the Council has made since 2008.</p>
4	Insurances	Assurance	10	<p>Rationale: An important area for the Council which receives a periodic audit review. Scope: To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Insurance arrangements. The audit focuses on the following key areas: · Adequate policies and procedures are in place and accessible to all relevant staff; · System access is restricted to authorised personnel only; · Payments to the insurance provider are adequately checked and authorised, with charges appropriately recharged to service areas; · Controls are in place to ensure that adequate insurance is held by officers and Members who use their car for official business; · Insured assets are periodically reconciled to asset registers, with formal notifications of additions/disposals provided to the Insurance Officer to enable necessary changes to policies at the next annual renewal; · Claims are sufficiently investigated prior to reporting to the insurance provider, with details of claims fully and accurately recorded, and supporting documentation retained; and · Claims summaries are periodically reported to service area managers and senior management team, and operational changes established which may affect the insurances held by the Council.</p>
3	Leasehold & Service charges		10	<p>A key role of the borough is to manage its leasehold buildings and a programme of major works is essential in maintaining or improving these buildings. Works can include replacing windows / roof, lift renewal, structural repairs, installing CCTV, fire risk assessments and landlord electrical works. The costs of major works is recoverable under the terms of the lease. To include:</p> <ul style="list-style-type: none"> • Policies and procedures are in place to govern the requirements of S20 and S20b notices. • To ensure that consultation, S20 and 20b notices are issued and undertaken in line with legislation. • Adequate records are held to support charges raised.

Quarter	Review	Type	Days	High-level Scope
	Climate Change (Limited Assurance in 2024/25)		10	Limited assurance in 24/25. This is an area of increasing risk significance amid the Government's commitment to net zero carbon emissions by 2050. If the Council is not seen to be taking action or working towards government targets this may lead to reputational damage. Key areas for the review will included: a Corporate Strategy is in place for tackling climate change, with roles and responsibilities clearly defined and an associated action plan in place; climate change considerations are embedded into corporate decision making, targets and objectives; adequate performance monitoring and reporting to senior management and Members is in place.
	Contingency		23	TBC.
1 – 4	Follow-up	Follow up	12	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the Council is implementing recommendations, and providing reports to the Audit Committee.
1	Annual Planning	Management	3	Assessing the organisation's annual audit needs.
4	Annual Report	Management	2	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	25	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
		Total days	225	

Appendix C: To Discuss re. Annual Plan – 2025/26

Quarter	Review	Type	Days	High-level Scope	Requested as delayed due to	Requested by
TBC	Housing Transformation and Improvement Programme (HTIP)	Assurance	10	To provide assurance that audit recommendations are being embedded into HTIP or other programmes from the EY work.	Remove HTIP given the programme is shortly to go live, this can be scheduled at a later date.	Natasha Beresford Assistant Director – Housing Operations & Safe Communities
TBC	PPM (Limited Assurance in 2024/25)	Assurance	13	Limited assurance in 24/25	Maintenance will need to move back as it will coincide with mobilisation.	Darren Welsh Strategic Director, Housing and Property Services

Other Possible Topics

Review	Type	Days	High-level Scope
Corporate Governance (including Staff Training and Succession planning)	Assurance	12	The objective of the audit is to review the systems and controls in place within Corporate Governance, to help confirm that these are operating adequately, effectively and efficiently. The audit will provide focus on the structures in place, training and succession planning for key posts.
Grants	Assurance	10	decarbonisation grants from the department for energy security and net zero 'Social Housing Decarbonisation Fund' (SHDF).
Planning and Development (Including S106)	Assurance	12	Planning, in particular planning applications, enforcement and S.106 agreements will be reviewed to confirm the controls operating are robust.
Antifraud and Corruption (LCFS)	Assurance	13	Pro-active antifraud and corruption support. Govern, acknowledge, prevent, whistleblowing, business interests and declarations.

Internal Audit Charter

Purpose

The purpose of internal audit is to strengthen Dacorum Borough Council's ability to create, protect, and sustain value by providing the board/committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal audit enhances Dacorum Borough Council's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the IIA's Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global internal Audit Standards

TIAA will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. TIAA will report to the board and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Authority

Dacorum Borough Council's board/committee grants the internal audit function the mandate to provide the board/committee and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the board/committee. Such authority allows for unrestricted access to the board/committee.

The board authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of Dacorum Borough Council and other specialised services from within or outside Dacorum Borough Council to complete internal audit services.

Independence and Reporting Relationships

TIAA will confirm to Dacorum Borough Council's board/committee, at least annually, the independence of the internal audit function. TIAA will disclose to the board/committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

Board/Committee Oversight

To establish, maintain, and ensure that TIAA internal audit provision has sufficient authority to fulfil its duties, the board/committee will:

- Discuss with TIAA and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure TIAA has unrestricted access to and communicates and interacts directly with the board/committee, including in private meetings without senior management present.
- Discuss with TIAA and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with TIAA and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve TIAA's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter periodically with TIAA to consider changes affecting the organisation, such as changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter periodically. (typically, annually).
- Approve the risk-based internal audit plan.
- Review TIAA's performance.
- Receive communications from TIAA about the internal audit function including its performance relative to its plan.

- Ensure TIAA has established a quality assurance and improvement program and this is reported on annually.
- Make appropriate inquiries of senior management and TIAA to determine whether scope or resource limitations are inappropriate.

TIAA Role

TIAA will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

TIAA will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If TIAA determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they

review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Performing operational duties for Dacorum Borough Council or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Dacorum Borough Council employee that is not employed by TIAA, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as TIAA management, Dacorum Borough Council's board/committee and management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Dacorum Borough Council's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

TIAA's Responsibility

TIAA has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the board/committee and senior management.
- Discuss the plan with the board/committee and senior management and submit the plan to the board/committee for review and approval.
- Review and adjust the internal audit plan, as necessary, in response to changes in Dacorum Borough Council's business, risks, operations, programs, systems, and controls.
- Communicate with the board/committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the board/committee and senior management [periodically] and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact Dacorum Borough Council's and communicate to the board and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.

- Ensure adherence to TIAA’s relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the board and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If TIAA cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the board.

Communication with the Board/Committee and Senior Management

TIAA will report periodically to the board and senior management regarding:

- The internal audit function’s mandate.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function’s conformance with The IIA’s Global Internal Audit Standards and action plans to address the internal audit function’s deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the board.
- Results of assurance and advisory services.
- Management’s responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Dacorum Borough Council’s risk appetite.

Quality Assurance and Improvement Programme

TIAA will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of TIAA’s conformance with the Global Internal Audit Standards, as well as performance measurement to assess TIAA’s progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function’s deficiencies and opportunities for improvement.

Annually, TIAA will communicate with the board and senior management about the quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside of TIAA.

Scope

The scope of internal audit services covers the entire breadth of the organisation, including all Dacorum Borough Council’s activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the board/committee and management on the adequacy and effectiveness of governance, risk management, and control processes for Dacorum Borough Council.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of Dacorum Borough Council’s strategic objectives are appropriately identified and managed.
- The actions of Dacorum Borough Council’s officers, directors, management, employees, and contractors or other relevant parties comply with Dacorum Borough Council’s policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Dacorum Borough Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.
- Purpose will be carried out in a manner prescribed by TIAA’s professional standards, Information Security and Information Governance policies.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and

recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2022.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as

the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Management responses received by TIAA within 10 working days of draft report issue.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA's audit charter and IIA GIAS/PSIAS	100%

Approved by the Audit Committee at its meeting on: XXX