

# Internal Audit Strategy 2025 to 2027

## Document Details

Version: v1  
Date Updated: 01/02/2025  
Date to be Revised: 01/02/2026  
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## **Introduction:**

This document sets out our Internal Audit Strategy (IAS) for the next two years. A two-year strategy has been selected due to devolution and the impact this will have on the Internal Audit Service. The IAS sets out how the service will continue to transition, support and promote improvement and good governance. This will be underpinned by key documents including the Internal Audit Charter (IAC) which describes the purpose, authority, responsibility, ethics and position of the Internal Audit Service within Worcestershire County Council (WCC), the Service Plan, and our Quality Assurance and Improvement Programme (QAIP) which includes our key performance indicators to monitor performance and demonstrate success.

## **Vision:**

This strategy defines the purpose, objectives, and authority of the service. Internal Audit (IA) is a customer focused, modern, innovative, service aligned to assisting the delivery of the corporate strategic needs using agile auditing methods. It will enhance and protect organisation values by providing, risk based objective assurance, grant certifications, advice and insight using agile auditing methods. The internal audit service in Public Sector is required by the Accounts and Audit (England) Regulations 2015.

The Internal Audit Service will be an independent, objective assurance and advisory service designed to add value and improve the organisation's operations. It will help the organisation accomplish its strategic needs by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Chief Internal Auditor will continuously seek to develop staff competencies, the service as a whole and maintain conformance with both the current Public Sector Internal Audit Standards (due to cease 31<sup>st</sup> March 2025) and the soon to be introduced Global Internal Audit Standards (to be introduced in April 2025). The Internal Audit Service will provide assurance to those in governance that as a Service it is operating within the industry standards and will seek to undergo an independent assessment every five years.

## **Internal Audit Key Components.**

### **Delivering the Strategy:**

In delivering the Strategy Internal Audit will:

- Produce and deliver annually a Risk Based Internal Audit Plan which complies with the Global Internal Audit Standards;
- Provide progress reports to the Audit and Governance Committee which highlight any significant risk and control deficiencies or potential areas for improvement in the organisation's governance and control arrangements;
- Provide the statutory Chief Internal Auditor's Annual Opinion on the organisation's internal control, risk management framework and corporate governance arrangements;

- Through certification, assurance, advisory, and support services, suitably challenge key assumptions and judgments taken by management to ensure they were appropriate and in accordance with relevant legislation, policies, procedures, guidance and professional standards.
- Through training will create a strong, well qualified workforce.
- Use data analytics where it will enhance the quality of assurance.

### **Customer focus:**

Internal Audit will actively seek awareness of the needs and requirements of all our stakeholders in providing the optimum customer experience to inspire value, confidence and trust and to treat colleagues and Members with respect and understanding. It will achieve this using feedback from surveys, anecdotal evidence and direct feedback from the Audit and Governance Committee, Strategic Leadership Team and Chief Officer Group.

### **Quality:**

Quality and excellence are at the heart of everything we do. The key measure of quality is customer satisfaction, and our goal is to provide a service that meets and exceeds those expectations. Our aim is to provide a service that remains responsive to the needs of our customers and maintains consistently high standards. Staff are fully empowered to achieve the best possible outcomes, are accountable for their actions and take responsibility for their decisions. To achieve consistency a methodology has been developed and will continuously be reviewed to ensure it remains fit for purpose. Feedback from surveys will be considered and used as a continuous development tool.

### **Staff:**

All Internal Audit staff will work towards being professionally qualified and be fully conversant with relevant industry standards / practices and have significant knowledge, experience and understanding of the requirements of auditing in a public sector environment. This provides a unique insight into sector risks (existing and emerging), challenges, opportunities and good practice that informs our work. Continuing Professional Development is a fundamental part of our staff development strategy. A key requirement will be to undertake a skills assessment of the staff on a regular basis, link to training requirements, corporate annual appraisals and link the overall results to the documented succession plan.

### **Flexible and Resilient:**

Operating a multidisciplinary team provides a seamless and responsive service in meeting clients' needs. WCC and Internal Audit will work towards providing resilience in both strength and depth, and we continue to 'grow our own' by having Audit Assistant posts in the establishment introducing staff new to the discipline to train and learn. To achieve this there will be on the job training as well as close mentoring from highly qualified and experience staff. This supports succession planning as well

as the ability to consider specialisms in the future which will further enhance the internal audit service.

### **Agile working:**

Internal Audit will work with our clients to build trust, reputation, develop common understanding and take collective action to improve organisational governance. It will also work towards delivering strategic needs, outcomes and be a trusted advisor to strategic management and the Audit and Governance Committee. Internal Audit will operate a flexible approach when delivering the Audit Plan and will make professional judgements during assignments regarding the best approach, including the use of data analytics, to add the most value. Peer to peer networking along with industry training will be used to continuously develop the Service over the coming years.

### **Measures of Success**

The global standards indicate that Internal Audit should be adding value to the organisation at every opportunity. This will be done through an annual self-assessment, client feedback, the 5 yearly independent external assessment and, in parallel, through the development of the quality assurance and improvement programme.

### **Key Performance Indicators**

- Sufficient delivery of the WCC Annual Internal Audit Plan and any revisions thereto, in order to provide a well-informed Annual Audit Opinion.
- Conformance with current Standards.
- 80% of our customer feedback questionnaires reporting 'good' or above satisfaction with the service delivery.
- Regular reporting to Audit and Governance Committee.
- Greater than 90% audit milestones achieved for Corporate responses.
- 100% audit milestones achieved for Internal Audit.

### **Performance Monitoring**

The Internal Audit Service has developed a methodology to cover all aspects of the audit process; planning including Terms of Reference, testing, reporting and monitoring. This includes quality assurance arrangements at key points during the process with review and authorisation requirements. The Chief Internal Auditor will provide an Annual Internal Audit Opinion which in turn will inform the Annual Governance Statement. The Annual Internal Audit Opinion will include the statutory opinion on the overall adequacy and effectiveness of the risk management strategy, corporate governance arrangements and internal control environment. Feedback from the Audit & Governance Committee along with the senior management team will also be solicited to inform the assessment of the Internal Audit Service.

## Resource

Our current structure allows for:

1x FTE Chief Internal Auditor  
1x FTE Audit and Compliance Manager  
1x FTE Finance Business Partner  
2x FTE Audit Officers  
2x FTE Assistant Auditors

All Officers are direct employees of WCC and based at Wildwood. The establishment/structure will be reconsidered and is expected to change significantly with devolution with the potential amalgamation of Internal Audit Services across Worcestershire.

## Commitment:

We will:

- Continue to use the Three Lines of Defence Model.
- Ensure alignment of risk reporting to that of the corporate strategy.
- Work closely with service areas and ensure pragmatic recommendations identifying the 'root cause' of issues and ensuring proportionality to the risk.
- Continue to develop and promote Anti-Fraud, Bribery, and Corruption and Anti Money Laundering strategy and respond either proactively or reactively to reported irregularities to improve control.
- Follow up on all 'Unsatisfactory' Assurance outcomes to ensure controls are improved and risks mitigated.
- Test conformance with the Global Internal Audit Standards 2025 through annual self-assessment and an external independent assessment every five years.
- Ensure that the requirements of the Audit and Accounts Regulations 2015 are discharged which require the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal audit standards or guidance'.
- Support fully the Audit and Governance Committee as key stakeholders within their Terms of Reference.
- Share best practice across the Service to inform, improve and learn, using team meetings and 1:2:1's.
- Continuously develop and ensure key Service documents remain fit for purpose e.g. Charter, Handbook, Assurance outcomes, etc.
- Develop a quality assessment improvement programme (QAIP) to improve Service quality and regularly report progress before the Audit and Governance Committee.

## **Signature**

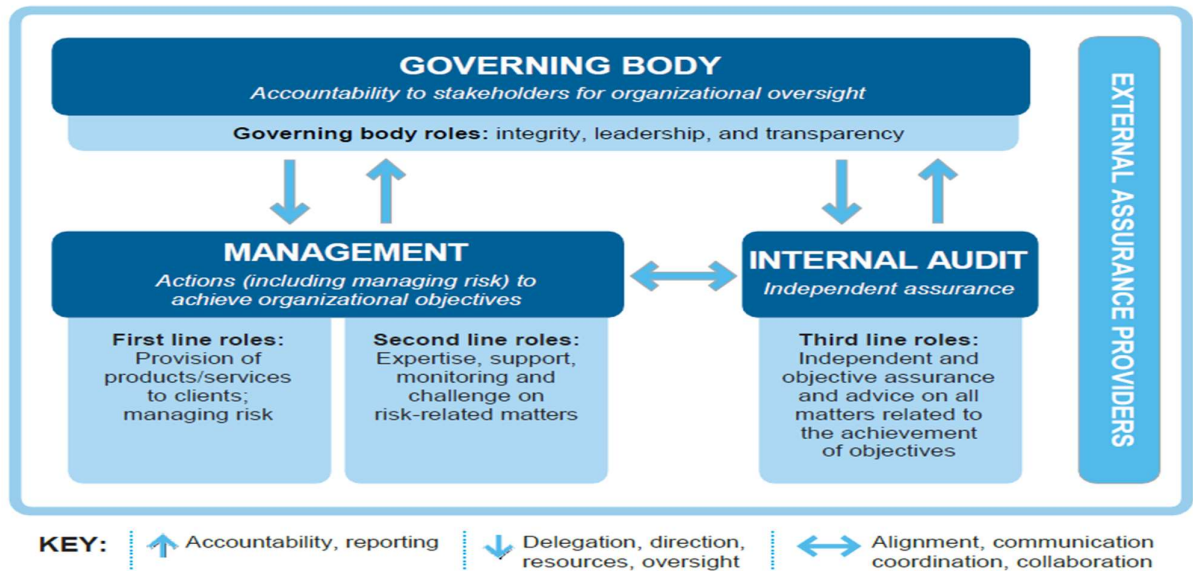
Chief Internal Auditor: Andy Bromage | 7<sup>th</sup> March 2025

Audit and Governance Committee Chair: Cllr Nathan Desmond | 7<sup>th</sup> March 2025

Chief Financial Officer: Phil Rook | 7<sup>th</sup> March 2025

Content for review: 1<sup>st</sup> February 2026

The Three Lines of Defence Model.



The Three Lines of Defence model explains the relationship between the functions involved in assurance:

- 1<sup>st</sup> line of defence are the functions that own and manage risks.
- 2<sup>nd</sup> line are the functions that oversee or specialise in the compliance or management of risk.
- 3<sup>rd</sup> line are the functions that provide independent assurance.