

**INTERNAL AUDIT  
BUSINESS PLAN FOR SHARED SERVICE  
2019/20**

Service Leads		
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	<b>Cambridge City Council</b>	<b>South Cambridgeshire District Council</b>
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APPROVED BY	Status	Date
<b>Steering Group</b>		
<b>Management Board</b>		
<b>Joint Leaders and CEX Group</b>		
<b>Cambridge City Council</b> <i>[Executive Councillor and Scrutiny Committee]</i>		
<b>Huntingdonshire District Council Cabinet</b>		
<b>South Cambridgeshire District Council Cabinet</b>		

Reporting timetable	
<p>Progress reports on Business Plan implementation and progress against key measures will be monitored at the quarterly Member Steering Groups and subsequently Management Board meetings. Quarter 2 and end of year performance will be submitted to the Joint Leaders and CEX Group. The Annual Report and draft Business and Finance Plans will feed into the corporate planning / MTFS cycles in July and January each year.</p> <p>Progress updates in quarterly reports will inform the preparation of annual reports, to be submitted to the partners' decision-making bodies in <i>March 2019</i> as part of the strategic review process set out in Schedule 2 to the Partnership Agreement.</p>	
<b>Version</b>	<b>Date</b>
<b>Draft 0.6</b>	<b>05/02/19</b>

## SECTION 1: CONTEXT AND OVERVIEW

### A. PURPOSE OF THIS DOCUMENT

This is the Business Plan for the Internal Audit Service, part of Greater Cambridge Shared Services, for 2019/20. It describes how the shared service arrangement will be delivered to ensure objectives are achieved and business benefits are realised within a robust governance framework and in the context of the partner councils' corporate plans.

The following objectives have been agreed:

- Protection of services which support the delivery of the wider policy objectives of each Council.
- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service.
- Savings through reduced management costs and economies of scale.
- Increased resilience and retention of staff.
- Minimise the bureaucracy involved in operating the shared service.
- Opportunities to generate additional income, where appropriate.
- Procurement and purchasing efficiencies.
- Sharing of specialist roles which individually, are not viable in the long-term.

### B. DESCRIPTION OF THE SERVICE

#### Description & Functions of the Shared Internal Audit Service (SIAS)

The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively.

The detailed role of Internal Audit is set out in the Internal Audit Charter which is [approved annually](#) by each partner's relevant Audit Committee. To successfully act as a key business partner, internal audit teams need to be fit for purpose and provide assurance of the necessary quality, depth and coverage.

The key service objective is to provide assurance on each Council's control environment, and will include the following functions:

- preparation and delivery of audit plans to each Council that are reflective of their strategic plans, objectives, and the risks to their achievement;
- providing an annual opinion on the adequacy and effectiveness of the Council's control environment and which may be used as a key assurance source when drafting the Annual Governance Statement;
- communicating with stakeholders, in a timely and appropriate manner, the results of work undertaken;
- considering whether operational and management arrangements are delivering the most economical, effective and efficient use of resources; and
- providing support and advice on new developments, policy initiatives, programmes, projects and emerging risks

Additional functions of the SIAS are to :

- facilitate, and provide evidence, for the Annual Governance Statement, which is a summary of

how the Council complies with its Local Code of Governance;

- working with the external auditors, where appropriate, to provide assurance over core financial systems;
- lead on aspects of the Councils approach to anti-fraud and corruption, such as strategy, policy update, reporting and completing data analytics. The SIAS is the key contact for the National Fraud Initiative, an annual exercise to proactively detect potential fraud and error. This was not included in the original business case for SIAS, and is an additional piece of work.

### **Service Model**

The team currently operates from the two main sites (Cambridge City Guildhall and South Cambridgeshire Hall), although they may work from any Council site where a review is relevant.

Historically the service model was based around two separate teams, with a shared management. Whilst this enabled an amount of shared knowledge, it was not integrated. Consequently there are different processes within each site. Establishing a centralised team, which operates from both sites, will enable economies of scale and smarter ways of working.

A risk based plan is completed annually, in consultation with management, to help ensure that work reflects both corporate priorities and corporate risks. The details of the plan are then presented to each Councils relevant audit committee for approval. The plan is designed to be flexible, so that work can be re-prioritised in response to the continually changing risk environment. This approach helps to ensure that the scarce resources are allocated in such a way that they add the most value to the Council.

Adequately resourcing the team, and having an established brand, are both important factors for delivering the service model. Recruitment, and marketing the team, has been documented in Section 2 – Operational Plan, and Section 3 – Service Development Objectives.

The original vision for the service is included in Appendix A.

## C. FINANCIAL OVERVIEW

The Shared Internal Audit Service is a support service, with costs recharged to both Councils. The risk based audit plan identifies the resource requirements for both Councils. The budget for the team is predominantly spent on resourcing, which is 88% of annual costs.

The current budget for the service can be analysed as:

Activity	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22
Staff costs <sup>1</sup>	289,080	298,556	308,242	318,169
Other operational costs <sup>2</sup>	9,220	9,230	9,240	9,250
Corporate Support costs and recharges <sup>3</sup>	30,800	31,779	32,780	33,807
<b>Total costs</b>	<b>329,100</b>	<b>339,565</b>	<b>350,262</b>	<b>361,225</b>

1. Staff costs are predominantly the salary, NIC and pension costs of the team. With current vacancies in the team these costs will include agency workers.
2. Other operational costs include transport costs, professional costs, training and development, and IT costs.
3. Corporate Support costs and recharges include overheads for buildings and administrative costs.

The resource requirements for the combined audit plan are budgeted to be the same over the medium term. If the audit plan changes, this will potentially impact the budget, but it should not be material. The budget will be annually reviewed, with the audit plan, and adjusted for inflation and other costs.

Analysis of previous years plans (before shared services) illustrated that the total volume of work (number of days delivered) has been split approximately 75% CCC and 25% SCDC. This formed the basis for the 2018/19 and future audit plans and is also reflected financially in the budget allocation for both Councils. Based on the demand of work at SCDC in 2018/19 there is potential to increase their audit plan. For example, there has been additional demand to support activities such as the National Fraud Initiative and ISO accreditation, which were not included in the original Business Case. The audit plan includes a contingency for unplanned work, and is also revised throughout the year. If however, there is a significant demand for extra work this would need to be recharged accordingly, and budgets would be revised.

Over the longer term the team aims to market services externally to generate additional income. Market analysis will be completed, along with brand development, in years 1 – 2, which will enable income projections to be built into the financial overview. Costs will potentially increase with income generation, as the resource need will also increase. This will still provide improved resilience and efficiencies for the two Councils, as the team develops, and help to deliver the vision.

## D. STAFFING OVERVIEW

Cambridge City Council is the employing authority. The SIAS is a relatively small team, and consequently changes to the establishment can have a significant impact on both the budget and resources of the team. The current establishment, as reflected in the 2019/20 budget, comprises:

Role	Number of staff	FTE	Comment
Head of Shared Internal Audit	1	1.00	
Principal Auditor	1	1.00	Vacant
Senior Internal Auditor	4	3.52	Currently a mixture of substantive staff and two agency workers
Assistant Auditor	1	0.76	

There is no professional standard for calculating how to resource Internal Audit Teams. There are various factors to consider, and it should reflect the risk environment of the organisation, which in turn informs the annual plan. The risk appetite, and subsequent resource need, will change over time according to the risk profile of the Councils. For example undertaking new alternative delivery models can increase the risk profile, and would require more assurance, whereas implementing smarter controls may reduce risk and consequently the need for an independent review. It is therefore appropriate to consider whether the team is adequately resourced when compiling the annual plan. As highlighted above, the significant costs are staff resourcing, and both Councils have made significant savings by sharing the Head of Internal Audit role.

The resource calculation for the short to medium term is the same as previous years, and recruitment is in progress for two of the vacant Senior Internal Auditor posts. The service has successfully recruited into the team during 2018/19. It is evident, however, that it is challenging to recruit to the remaining vacant posts, and the resources have been provided by agency workers. On a positive note this has enabled us to source people with relevant expertise for targeted pieces of work (e.g. risk, housing) whereas a substantive employee may have a more general skill set. The residual challenge, however, is to manage the increased cost of agency workers, versus the resilience of having a fully resourced team. The vacant Principal Auditor post has helped the service to stay within budget, within the short term. The recent PSIAS assessment highlighted the importance of recruiting to the Principal Auditor role, to provide resilience and to develop the team over the longer term, and also recommended exploring the use of apprenticeships once the new Institute of Internal Auditors scheme is established.

All members of the team can work at both sites, with their skills and capabilities being used where it is most effective. The current aim is to have a team with a variety of complementary skills and capabilities, and also to offer opportunities for continuous professional development.

As a small team sickness absence can easily impact the delivery of the team's objectives. Consequently this is actively monitored and good attendance is encouraged. If an agency worker is sick, this does not have a financial impact to the Council. There have been no long term absences in the year, for substantive employees, and the number of absences has not had a significant impact on the delivery of our plan.

We are continually reviewing our working arrangements to ensure that practices in place are the most appropriate for the new SIAS. These will include a look at remote and flexible working arrangements, and utilisation of technology. This is anticipated to be carried out from 2019/20 with the implementation of Council Anywhere.

Over the longer term the team aims to become commercial and provide services beyond the two Councils, and additional resource may be required in the team to achieve this.

## E. LOOKING BACK

There were two main drivers behind the decision to consider setting up the SIAS:

- CCC and SCDC desire to have a strong business focussed leadership model, in line with other shared services, to lead the shared Internal Audit Service across the two Councils.
- Bringing together the professional discipline of internal audit into one team, provides the opportunity to deliver a more resilient and responsive service that would allow internal audit work to be carried out seamlessly and without boundaries across the two Councils.

The SIAS has had a positive year, with both successes and continuing challenges. Our main challenges include:

- difficulties recruiting into vacant posts;
- planned roll-out of new ICT equipment and tools have been delayed;

These challenges were recognised as potential risks in the business case, and have been managed.

There have also had a number of positive achievements over the last 12 months and we have:

- recruited a Senior Auditor into the team, who is working at both Council's;
- started to deliver joint audit work at both sites, enabling economies of scale, plus shared learning and development for both our customers;
- reviewed and changed a significant number of internal working practices, to improve the quality and efficiency of the team;
- successfully achieved accreditation with the Public Sector Internal Audit Standards, and Local Government Application Note, which is a rigorous assessment to demonstrate our compliance with professional standards;
- chaired the CAMSAG away day, which is an annual training and networking event for public sector internal auditors, and this has helped to promote our brand;
- completed data quality assurance and managed data collection for the Cabinet Office's National Fraud Initiative, which was not included in the original business plan; and
- continued to deliver the core work, audit plan, Annual Governance Statement and providing supporting and assurance on key projects.

## F. LOOKING FORWARD

This Business Plan focusses on year two of our five year plan. Looking forward, to develop the SIAS, we have both an immediate short term plan (looking at years 1 – 2), and also a longer term plan (years 2 – 5), which forms our strategy. This enables us to align our objectives to the organisation, and have a road map based on the CCC/SCDC overall strategy, stakeholder expectations, regulatory requirements and the role of the other risk functions. The outcome of this approach, and key activities, is detailed below. This strategy provides a focus for the team, and the Shared Services Board. Years 3 – 5 will need to be adaptable, to ensure the strategy remains relevant, and will be updated in future business plans.

### Short term plan

2019/20 will be an important year for the team, as there are a number of immediate challenges ahead.

Resources	Recruitment of staff, to substantively fill vacant positions, will help establish the team as an adequately resourced shared service, with team members working across both sites.
Brand awareness	It will be important to continue marketing the new team, so that our customers understand that the SIAS has been set up, and can be utilised to support projects and add value. Both CCC and SCDC have internal intranet pages. A detailed review will be completed to promote the SIAS.
Quality Assurance and Improvement Program	Internal Audit teams have to follow Public Sector Internal Audit Standards (PSIAS), and also the sectorial Local Government Application Note. We successfully passed an external assessment in 2018/19. Being able to demonstrate compliance with the standards is a fundamental requirement when marketing the service externally. The PSIAS action plan will be implemented throughout 2019/20, and we will complete an internal annual health check to the PSIAS.
Performance management	Historically there were limited systems for managing the internal audit processes, and a reasonable amount of paper based files. The team has reviewed a number of processes and developed a framework for monitoring performance in 2018/19. The team will explore opportunities to use technology in smarter ways, which will help our productivity.

### Longer term strategy

2019/20 to 2023/24 will be an opportunity for the team to build upon the short term plan, and develop the activities of the SIAS, which can help to achieve resilience and generate potential revenue.

Commercial activities	The SIAS will complete market analysis to identify potential customers, for income generation.
Brand awareness	It is important to promote the brand externally, and marketing material under the “Greater Cambridge” brand will be developed, such as an external web presence, to reach new customers.
Resources	The resources of the team will need to be continually reviewed, with potential investment to compete commercially. This could include additional recruitment, training and development.
Performance management	As the team develops there may be a business case for purchasing a supported Internal Audit Management system. This will be dependent upon potential economies of scale, value for money, and we will look at what is available in the marketplace. One system has been appraised and was not considered to represent value for money. We will continue appraise other potential systems in 2019/20.

<p>Develop real time risk assessments</p>	<p>An annual risk assessment is no longer enough if internal audit wants to remain relevant to its customers. To ensure that the audit plans are adding value we will develop a real time based risk analysis which supports a dynamic and agile audit plan. This will enable us to provide a customer focussed approach, whilst ensuring that our resources continue to be allocated effectively.</p> <p>In addition the team will develop a data analytics program that can be embedded into the entire audit life cycle. Using analytics can produce more focused risk assessments, more efficient execution, increased risk coverage and more effective reporting.</p>
<p>Governance</p>	<p>The team will work with key officers and stakeholders to ensure that the SIAS is providing relevant assurance for the AGS, by mapping assurance sources. In addition the team will help to facilitate workshops to review the format of the AGS to ensure it is effective for its customers.</p>
<p>Other assurance activities</p>	<p>One of the benefits of providing services to more than one customer is that the SIAS can share good practice. We will consider other assurance activities where the SIAS can objectively add value, such as participation in project and governance groups, and promote this as further good practice.</p>

<b>RISKS AND THREATS</b>	
<b>Risk Description</b>	<b>Risk Mitigations</b>
<p>1 Not maintaining the skills and experience to undertake audits on increasingly complex areas. This could result in:</p> <ol style="list-style-type: none"> <li>1. Failure to identify a significant issue</li> <li>2. Inability to provide assurance</li> <li>3. Reliance on consultants who do not have the Authority's best interests at heart</li> </ol>	<p>Attending Briefings for staff and Managers.</p> <p>Building relations with other local authorities / networking.</p> <p>Cascade of knowledge and skills to minimise key person dependency.</p> <p>Close relationships with Heads of Service.</p> <p>Institute publications / forums reviewed.</p> <p>Internet research</p> <p>Performance review process.</p>
<p>2 Exceptional demand for unplanned work (special investigations / consultancy) and / or resource issues (inability to recruit) could result in:</p> <ol style="list-style-type: none"> <li>1. Not providing the agreed level of assurance to the Authority</li> <li>2. A fraud goes undetected</li> <li>3. Control failings are not picked up</li> <li>4. Reputational risk</li> </ol>	<p>Performance management framework and regular 121s</p> <p>Protocol for updates and re-profiling the plan with the relevant Audit Committee.</p> <p>Regular monitoring of the audit plan.</p> <p>Time recording system</p> <p>Performance management system</p>
<p>3 Audit Plan is not aligned with the Council's Risks. If the Council does not engage with internal audit, and does not keep its risks register up to date, this could result in:</p> <ol style="list-style-type: none"> <li>1. Not providing assurance in the right areas</li> <li>2. Significant control failures not picked up</li> <li>3. Audit are not perceived to be adding value to the Authority</li> </ol>	<p>In year 'Radar'' reporting and horizon scanning by audit team.</p> <p>Linking the Audit Plan to the Risk Register.</p> <p>Maintaining good relations with Heads of Service.</p> <p>Regular review of customers Risk Registers (Corporate / Service and Project).</p>
<p>4 Compromise to Internal Audit's independence.</p> <p>Over involvement in non-audit work could result in an ethical compromise. Conversely, not being involved in key projects could reduce the quality of our assurance work.</p>	<p>It is important to maintain the right ethical balance, and this is achieved by:</p> <p>Declaration of Interests.</p> <p>Having clarity in what our role is. Regular review of the Internal Audit Charter.</p> <p>Having knowledge of the escalation process if Internal Audit advice not taken. Training</p>

<b>RISKS AND THREATS</b>	
<b>Risk Description</b>	<b>Risk Mitigations</b>
<p>5 Ineffective working relationship with External Audit.</p> <p>This could result in:</p> <ol style="list-style-type: none"> <li>1. Impact on work load and audit plan</li> <li>2. Poor working relations</li> <li>3. Duplication of audit work</li> </ol>	<p>Consultation over internal audit plan</p> <p>Regular meetings with External Audit</p> <p>Using the External Audit portal to provide timely evidence</p>
<p>6 Inappropriate assurance is provided, which could result in:</p> <ol style="list-style-type: none"> <li>1. Damage to Internal Audit and the Council's reputation.</li> <li>2. Inadequate assurance provided for the Annual Governance Statement</li> <li>3. Customer's scarce resources are not allocated effectively</li> <li>4. Required improvements are not delivered</li> </ol>	<p>This is managed by PSIAS based procedures including:</p> <p>Audit Manual and protocol for peer reviews.</p> <p>Consultation with the right people at the right time.</p> <p>Ensuring the scope is appropriate.</p> <p>Sharing of information within the team.</p> <p>Timely peer review process.</p> <p>Use of industry standard sampling methods.</p>
<p>7 It is important that we achieved and maintain accreditation and compliance with audit standards (PSIAS and LGAN). If we don't this could result in:</p> <ol style="list-style-type: none"> <li>1. Not meeting sector specific requirements</li> <li>2. Exception reporting in the Annual Governance Statement</li> <li>2. Poor quality brand and reduced ability to get new customers</li> </ol>	<p>We achieved accreditation in 2018/19. This is further mitigated by:</p> <ol style="list-style-type: none"> <li>1. A 5 Year external accreditation is completed by qualified inspector (next due in FY 2022/23).</li> <li>2. Regular annual self-assessment reported to S151 and relevant Audit Committee, as part of the annual audit opinion.</li> <li>3. Continuous Quality Assurance and Improvement Programme, plus customer feedback, used to inform action plan.</li> </ol>
<p>8 Failure to develop quality internal audit services, could result in:</p> <ol style="list-style-type: none"> <li>1. Resilience not achieved</li> <li>2. Inefficiencies not achieved</li> <li>3. Growth not achieved</li> <li>4. Competing priorities dilute quality of service</li> </ol>	<p>This is mitigated by:</p> <ol style="list-style-type: none"> <li>1. Robust business case approved by Councils</li> <li>2. Regular reporting to Shared Service Board and relevant customer committees</li> <li>3. Audit committee roles codified in constitutions (and reflect professional good practice guidance e.g. CIPFA).</li> </ol>

## G. COMMUNICATION AND ENGAGEMENT

As the SIAS is new, we are currently developing its brand awareness with our customers.

The SIAS presents Internal Audit plans to their audit committees, (known as “Civic Affairs” in CCC and “Audit and Corporate Governance” in SCDC) and also consults with Management to identify the main risks and opportunities for both Councils. The plans are being considered jointly, and this will provide a further opportunity to promote the brand, and understand our customer’s needs.

Internal Audit work is consistent with Council policies and requirements to maintain compliance with equalities legislation. We regularly engage with our customers, through delivery of the audit plan, and proactively seek feedback which could help us to improve the service.

As part of the PSIAS assessment we consulted with management to understand what they need and value from the SIAS, and this has helped to inform the business plan. Overall this was positive feedback, and opportunities for improvement were fed into our continuous Quality Assurance and Improvement Programme, which is reported to the audit committees. We regularly have meetings with the S151 Officer at each Council, which provides an opportunity to provide feedback on services. We have also developed post-audit surveys, which are issued to customers following and audit or consultancy work. This provides an opportunity to learn what works well, and how we can improve.

The SIAS will participate in professional networks, which will provide an opportunity to promote the brand with peers.

The team has intranet pages, which provide useful resources for employees. These will be reviewed and updated, which will also help to promote the brand.

## SECTION 2: OPERATIONAL PLAN 2019/20

### SECTION 2A: BUSINESS PLAN PERFORMANCE INDICATORS

	Priorities for the service	State where these priorities are outlined <i>(Corporate plans, strategies)</i>	Actions that will deliver the priority	Outputs from the activity	Outcomes from the activity
1	Complete a resource assessment of the team and recruit employees into vacant posts.	Internal Audit Plan	Recruitment	New members of the team recruited.	An adequately resourced team which can work smarter across multiple sites and provide effective assurance to customers.
2	Maintain PSIAS accreditation.	Internal Audit Plan	5 year External Quality Assessment followed by annual Internal Quality Assessment	Compliance report	Assurance that team complies with PSIAS and Local Government Application Note.
3	Deliver a joint risk based plan for CCC / SCDC	Internal Audit Plan	Assurance and advice	Action plan for further improvement.	Assurance for the Annual Governance Statement.
4	Key contact for NFI	Internal Audit Plan	Data upload and investigation	Reports and assurance statements	Opportunities for continuous improvement
5	Annual Governance Statement	Internal Audit Plan	Assurance mapping	Assurance of controls and recovery of fraud and error	Assurance and control improvement

## SECTION 2B: SERVICE KEY PERFORMANCE INDICATORS

KPI	Performance Measures <i>(provide a list only - target information is included in section 4)</i>	Dependencies <i>(ICT, Finance, Human Resources, accommodation etc)</i>	Key risks to delivery <i>(include how these will be mitigated)</i>
KPI-1	<p>Legality: Compliance with PSIAS and LGAN.</p> <p>The SIAS will demonstrate that it is professionally competent.</p>	<p>Internal Audit Charter, Internal Audit Manual, and key documents and procedures.</p> <p>Availability and support of key personnel including HIAS, S151, Monitoring Officer, and Committee Chair.</p>	<p>Working processes are non-compliant, which could lead to reputational risk.</p> <p>A continuous review will be completed to ensure compliance, which will be reported to relevant audit committees.</p>
KPI-2	<p>Effectiveness: Timely assurance provided to key stakeholders.</p> <p>Key information, such as performance updates, annual outturn and AGS, will be reported promptly.</p>	<p>Availability of key officers, systems and access to records.</p>	<p>Insufficient resources within the team to complete sufficient work for an audit opinion for the AGS. Customers unreceptive to audits because of competing priorities such as new system / project delivery.</p> <p>Manage by recruitment and project plan management.</p>
KPI-3	<p>Efficiency: Productive use of resources</p> <p>The team will demonstrate that time and resources are used effectively.</p>	<p>Project planning and resource management.</p>	<p>Resources are not utilised effectively.</p> <p>This will be managed by risk appraising, prioritising and monitoring work.</p>
KPI-4	<p>Business success: Customer satisfaction</p> <p>Whilst it is important that SIAS can be objective, we also aim to add value to our customers and will actively ask for feedback.</p>	<p>Customers completing satisfaction questionnaires and providing feedback for continuous improvement of service.</p>	<p>Insufficient resources within the team to respond promptly to customer demand.</p> <p>Manage by recruitment and development plans. Action plans from feedback.</p>

### SECTION 3: 2019/20 SERVICE DEVELOPMENT ACTIVITIES

#### SECTION 3A: SERVICE DEVELOPMENT OBJECTIVES

##### DEVELOPMENT OBJECTIVE

<b>Development objective</b>	<p><b>Managing Resources:</b> The team needs to recruit into current vacancies, where team members have left to progress their career in other organisations. The risk, that employees may leave, was recognised as a risk in the original business case, so it is important to offer continuous professional development and career opportunities where possible.</p>	<b>Describe the desired outcome – what will it look like when it has been achieved?</b>	A fully resourced team with a complimentary mix of skills and capabilities. Development opportunities.	<b>Lead officer</b>	Jonathan Tully
<b>Is this a Project? (Yes/ No) and description</b>	No – Resourcing the team to the planned establishment is ‘Business as Usual’, although the establishment will be continually reviewed according to the needs of the Council and the risk based audit plans .				
<b>Business Benefits</b>			<b>How will it be measured?</b>		
1. Improved service to clients			Customer satisfaction		
2. Increased resilience			Reduced turnover and reduced requirement for contract and consultancy staff		
3. Building a strong foundation for potential growth			Reduced turnover and reduced requirement for contract and consultancy staff		
<b>Outputs &amp; products</b>		<b>Resources</b>	<b>Responsible Officer</b>		<b>Target delivery date</b>
Reflect PSIAS review and customers audit plan resource needs.		2019/20 budget approved	Jonathan Tully		March 2020
<b>Key risks</b>		Unable to recruit from current market, lack of available quality candidates			

## DEVELOPMENT OBJECTIVE

<b>Development objective</b>	<b>Efficient and effective processes:</b> Integrate processes between the two sites to leverage efficiencies. Aim to have one consistent reporting format and working papers. Adopt digital working where possible for efficiencies. Implement management tools.	<b>Describe the desired outcome – what will it look like when it has been achieved?</b>	Utilise digital working Simpler and more efficient processes.	<b>Lead officer</b>	Jonathan Tully
<b>Is this a Project? (Yes/ No) and description</b>	Yes. The team has a continuous Quality Assurance and Improvement Programme, which is reported to Audit Committees annually. Continuous improvement is also a standing item at team meetings. The team processes were significantly paper based and we have been reviewing our processes during 2018/19. Internal Audit work involves reviewing other systems, so there will be some dependencies on other projects, such as 'Council anywhere'. We have agreed to establish peer group with other shared services, so that we can share ideas and good practice.				
<b>Business Benefits</b>			<b>How will it be measured?</b>		
1. Improved flexibility for team members – ability to work digitally and from various locations			Review of working papers.		
2. Increased efficiency – completing work quicker and smarter, improving the service for our customers.			Reduction in working days for specific pieces of work / increased output across the audit plan.		
3. Increased resilience – ability for team members to support each other and collaborate.			Staff multi-site working		
<b>Outputs &amp; products</b>		<b>Resources</b>	<b>Responsible Officer</b>		<b>Target delivery date</b>
Digital file and working papers Time saved and deployed more effectively.		Council Anywhere MS Office applications	Jonathan Tully		March 2020
<b>Key risks</b>		Lack of buy in to procedural change, from existing team members. Infrastructure doesn't support new procedures. Reliance upon ICT being available.			

## DEVELOPMENT OBJECTIVE

<b>Development objective</b>	<b>Develop brand awareness and culture for the SIAS.</b> It is important that both Councils recognise that we are a shared service. Also a strong brand will help us to promote our services externally.	<b>Describe the desired outcome – what will it look like when it has been achieved?</b>	Our customers recognise the SIAS as a strong and distinctive brand.	<b>Lead officer</b>	Jonathan Tully
<b>Is this a Project? (Yes/ No) and description</b>	<i>No –This activity will require immediate resource to set-up certain activities such as intranet refresh, updated report formats, but should then become business as usual. We have already established a peer group with other shared services to help us on the journey. Internally this is also about building the right culture within our team, so that sharing information and working collaboratively becomes standard practice. We have already commenced a number of joint pieces of work, and promoted the service externally. We will develop this further in 2019/20.</i>				
<b>Business Benefits</b>			<b>How will it be measured?</b>		
1. Improved service to clients – both Councils benefit from joined up working.			Customer satisfaction		
2. Increased efficiency			Self-service and customer feedback		
3. Consistency of our product for customers – also more efficient for the team.			Customer satisfaction		
<b>Outputs &amp; products</b>	<b>Resources</b>	<b>Responsible Officer</b>		<b>Target delivery date</b>	
Branding adopted into working papers and reports	Greater Cambridge branding guidelines	Jonathan Tully		March 2020	
<b>Key risks</b>	Not having sufficient resources (time and marketing skills) to promote the brand.				

## DEVELOPMENT OBJECTIVE

<b>Development objective</b>	<b>Quality Management System.</b> Quality Management System for the SIAS. A continuous quality assessment helps the team to manage and prioritise their workload, plus analyse completed work to help inform future work plans.	<b>Describe the desired outcome – what will it look like when it has been achieved?</b>	Management information to help strategic planning	<b>Lead officer</b>	Jonathan Tully
<b>Is this a Project? (Yes/ No) and description</b>	<i>No. The team did not have a Quality Management System in operation. In 2018/19 we have developed an in-house system which has enabled us to record core performance information. This will be developed and refined in 2019/20, as there are a number of dependencies on the functionality of Office 365 being rolled out through Council Anywhere. We have also explored externally supplied system, but these have not been considered cost effective. The view of the PSIAS assessment was that an in-house system would be sufficient, although we may wish to procure a managed system if the team grows / expands. We will therefore also maintain knowledge of other systems in the market place.</i>				
<b>Business Benefits</b>			<b>How will it be measured?</b>		
1. Improved performance management information			Customer satisfaction		
2. Increased efficiency – modern ways of working			Team satisfaction and feedback through team meetings.		
3. Increased resilience – better knowledge of our work programme progress			Audit plan delivery		
<b>Outputs &amp; products</b>	<b>Resources</b>	<b>Responsible Officer</b>		<b>Target delivery date</b>	
Data management system	Development of in house systems. Dependency on Council Anywhere rollout.	Jonathan Tully		March 2020	
<b>Key risks</b>	Dependency on Council Anywhere rollout Dependency on time to invest in development of the system, and team training.				

### SECTION 3B: SUMMARY OF SERVICE DEVELOPMENT OBJECTIVES

Service Ref No:	Service Objective and Outcome plus links to partnership objectives, relevant strategies and plans ( <i>i.e. what do we want to achieve and why are we doing it?</i> )	Lead Officer(s)
1	<p>Managing resources.</p> <p><i>The team needs to recruit into current vacancies, and develop its own team potential. It is important to offer continuous professional development and career opportunities where possible.</i></p>	Jonathan Tully
2	<p>Integrate processes between the two sites to leverage efficiencies.</p> <p><i>Having a consistent produce will help to promote our brand, and release potential efficiencies within the team. Standardisation across two Councils will help to provide resilience and continuity.</i></p>	Jonathan Tully
3	<p>Develop brand awareness for the SIAS</p> <p><i>A good brand will help the service maximise its chances of seeking additional work in the future outside its core Councils.</i></p>	Jonathan Tully
4	<p>Quality Management System for the SIAS.</p> <p><i>A continuous quality assessment helps the team to manage and prioritise their workload, plus analyse completed work to help inform future work plans.</i></p>	Jonathan Tully

## SECTION 4: KEY PERFORMANCE INDICATORS (KPIs)

### Organisational, Service and Corporate Plan Performance Indicators

The table below should list organisational performance indicators (KPIs) applying to the service, key PIs from the action plan in section 2A and any PIs from partners' Corporate Plans that this Service is responsible for reporting against.

We have included performance information from Quarter 3 2018/19 to provide a comparison where applicable. Full information, up to the end of the year will be included in the annual report.

KPI Reference and Description		Reporting frequency	2018/19 Q3 Actual	2019/20 Target
<b>Key Service PIs (to be selected from the action plan at section 2B)</b>				
KPI-1	Legality: Compliance with PSIAS and LGAN	Annually	Compliant	Compliant
KPI-2	Effectiveness: Timely assurance provided to key stakeholders (including audit update reports and opinion for the Annual Governance Statement).	Quarterly	Full	Full
KPI-3	Efficiency: Productive use of resources	Quarterly	New measure	80%
KPI-4	Business success: Customer satisfaction	Annually	New measure	80%
<b>Business Plan KPIs (all PIs in the Business Plan that your service is responsible for should be listed here at Section 2A)</b>				
Complete a resource assessment of the team and recruit employees into vacant posts.		Annually	New measure	Complete
Maintain PSIAS accreditation.		Annually	New measure	Compliant
Deliver a joint risk based plan for CCC / SCDC		Annually	New measure	Complete
Key contact for NFI		Annually	Complete	Complete
Annual Governance Statement		Annually	Complete	Complete

## Appendix A - The Vision for SIAS

**Our mission: To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.**

Objectives	Be a fully integrated commercial internal audit service across the 2 councils	Deliver robust assurance on risk management, control and governance processes	Be proactive, flexible, future-focused and innovative	Communicate in a clear, easy to understand and timely way	An attractive place to work
Principles	<p>One team.</p> <p>Alignment of audit plans &amp; processes.</p> <p>Clear performance targets.</p>	<p>Audit plans aligned with the strategies, objectives, and risks of the authority.</p>	<p>Audit plans responsive to speed of developments.</p> <p>Increase in collaboration and systems development.</p> <p>Be trusted advisors.</p>	<p>Encourage customer input prior to, during and after work undertaken.</p> <p>Report in the most appropriate manner.</p>	<p>Develop people's contributions for the benefit of the team and the individual.</p> <p>Flexible, home and remote working</p>
Activity	<p>Review of structure.</p> <p>One audit plan across the 3Cs.</p> <p>Auditors work at any of the 3Cs.</p> <p>New audit manual &amp; audit software.</p>	<p>Regular meetings with senior management to develop client relationships.</p> <p>Identify assurance gaps.</p>	<p>Undertake audits focused on specific &amp; immediate risks.</p> <p>Promote best practice and new ideas (e.g. continuous auditing).</p> <p>Marketing the benefits that can be gained.</p>	<p>Report actions aligned to risk appetite.</p> <p>Redesign audit report format.</p> <p>Interim reporting to drive change.</p>	<p>Focused staff development and training.</p> <p>Agile working – to meet the clients' needs.</p>
Outcome	<p>Standard and consistent processes. PSIAS compliance.</p> <p>Auditors work to same goals &amp; targets.</p> <p>Knowledge sharing amongst auditors and with managers.</p>	<p>Annual opinion report.</p> <p>Suggest ways to add value to service outcomes across 3Cs.</p>	<p>Real and immediate contribution to Council developments and initiatives.</p> <p>Provide timely advice when requested.</p>	<p>Influence and bring about meaningful change.</p> <p>Full and quick response to reports from managers.</p> <p>Educated client.</p>	<p>Motivated and engaged staff.</p> <p>Increased productivity.</p>

