

**INTERNAL AUDIT
BUSINESS PLAN FOR SHARED SERVICE
2020/21**

Service Leads		
Head of Shared Service	Jonathan Tully	
	Cambridge City Council	South Cambridgeshire District Council
Director of Shared Service	Fiona Bryant	Liz Watts
Lead Councillor	Cllr Robertson	Cllr Williams

APPROVED BY	Status	Date
Steering Group	NA	NA
Management Board	Complete	07/10/19
Joint Leaders and CEX Group	Complete	
Cambridge City Council <i>[Executive Councillor and Scrutiny Committee]</i>		
Huntingdonshire District Council Cabinet	NA	NA
South Cambridgeshire District Council Cabinet		

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 2020</i> as part of the strategic review process set out in Schedule 2 to the Partnership Agreement.</p>	
Version	Date
Draft 1.0	12/03/2020

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 2020/21. 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.

An agile continuous risk-based plan is developed, 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 Chief Executive and the relevant audit committee for approval at least annually. 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 Councils.

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 charged 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 87% of annual costs.

The current budget for the service can be analysed as:

Activity	Outturn 18/19	Budget 19/20	Forecast 19/20	Forecast 20/21	Forecast 21/22	Forecast 22/23
Staff costs ¹	250,371	296,300	296,426	305,319	314,479	323,913
Other operational costs ²	7,402	13,370	10,679	13,370	13,370	13,370
Corporate support costs and recharges ³	30,800	31,770	31,741	32,693	33,674	34,684
Total costs	288,574	341,440	338,847	351,383	361,523	371,968
Cambridge City Council	223,350	215,960	215,960	221,371	227,759	234,340
South Cambridgeshire DC	65,224	125,480	125,480	130,012	133,763	137,628

1. Staff costs are predominantly the salary, NIC and pension costs of the team, and agency workers.
2. Other operational costs include transport, professional costs, training and development, and IT.
3. Corporate Support costs and recharges include overheads for buildings and administrative 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 audit plan. The planning process, which is consulted with and approved by the Audit Committee, recognised an increased in demand of work at SCDC, and the 2019/20 plan was increased. This is reflected in both the budget and the revised split of 63% CCC and 37% SCDC for future years. 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, plus increased resources to support the Annual Governance Statement and Local Code of Governance. This was anticipated and noted in the previous year's 2018/19 Business Plan. The Internal Audit Plan resource requirement at CCC is comparable with previous years.

The audit plan is dynamic, is regularly reviewed, and includes a contingency for unplanned work. If, however, there is a significant change in demand this would need to be accounted for accordingly, and budgets would be revised. 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 is reviewed annually, with the audit plan, and adjusted for inflation and other costs. A simple 3% increase has been applied to long term forecasting.

Over the longer term the team aims to market services externally to generate additional income. Costs would potentially increase, with balancing income generation, as the resource need will also increase. Although not a critical success factor, it could 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 2020/21 budget, comprises:

Role	Grade	Count	FTE	Comment
Head of Shared Internal Audit	10	1	1.00	
Principal Auditor	7	1	1.00	Vacant
Senior Internal Auditor	6	4	3.52	Mixture of substantive and agency workers
Assistant Auditor	4	1	0.76	

When calculating how to resource Internal Audit Teams there are various factors to consider. It should reflect the risk environment of the organisation, which in turn informs our 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 and organisational change can increase risk and would require more assurance, whereas implementing smarter controls and effective management may reduce risk and consequently the resource need for independent review. It is therefore appropriate to consider whether the team is adequately resourced when compiling the annual plan. Adopting a risk-based approach to work enables us to work in an agile way, to best meet the needs of our customers.

One of the benefits of providing services to multiple customers is that the SIAS has increased insight, can share good practice, and help to drive change. It is important that we adequately resource the team, with a comprehensive range of skills, to maximise this opportunity in the future. This enables us to deliver both assurance and consultancy work which add value, such as participation in project and governance groups, active development of governance risk and control, and positively drive transformational change.

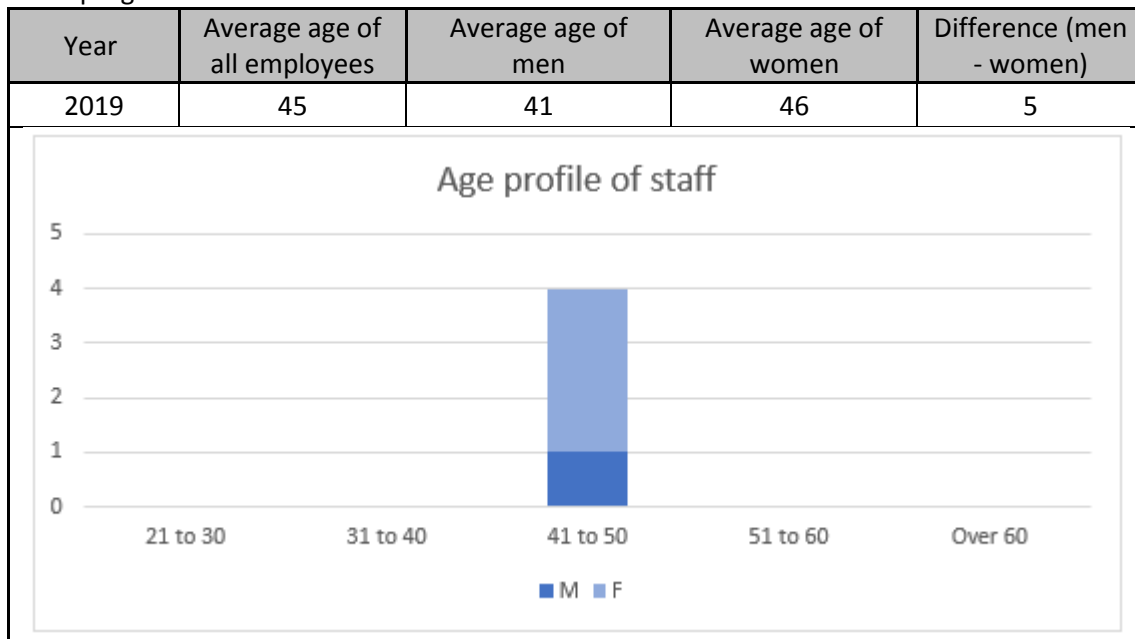
As highlighted above, the significant costs are staff resourcing, and both Councils have made significant savings by sharing the Head of Internal Audit role.

The resource calculation for the short to medium term is anticipated to be remain constant. It has been challenging to recruit to the vacant posts, which is mitigated by utilising agency workers. This is not ideal, although it enables us to source people with relevant expertise for targeted pieces of work (e.g. risk management, 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 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 to offer opportunities for continuous professional development.

Age demographic

The average age of the substantive employees in the team is 45. The majority of the team posts consist of professionally qualified and experienced roles, and typically this will increase the average age of the team. There is scope and potential to recruit younger people, potentially as part of an apprenticeship or internal development program:



Equality

All recruitment adheres to the employing Council policy to ensure all applicants are treated fairly. Our recruitment and selection process meet the requirement of the Equal Opportunities Employment Policy, the Equality Act 2010 and all other relevant employment legislation.

Flexibility

We are continually reviewing our working arrangements to ensure they are the most appropriate for the SIAS and our customers. We support remote and flexible working arrangements and encourage smart working and effective utilisation of technology. Fifty percent of the substantive team have flexible part-time working arrangements. We work regularly across all sites to maintain an effective presence and develop our profile. We also aim to avoid unnecessary travel to help reduce costs and the environmental impact to the Councils.

Conclusion

The Internal Audit team is a small team with only 7 posts comprising a mixture of full and part-time employees. The nature of the roles offers a reasonable amount of flexibility, with a mixture of full and part-time posts working across multiple locations. There is scope and potential to recruit younger people, potentially as part of the apprenticeship. 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;
- delays in concluding the statement of accounts and external audit work has a consequential impact on concluding our own internal governance work, requiring additional resource to update legislative reports, supporting documentation, and ensure committees are informed;

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

We have also had several positive achievements over the last 12 months, and have:

- delivered 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 maintained our processes to the accredited Public Sector Internal Audit Standards, and Local Government Application Note, which is a rigorous assessment to demonstrate our compliance with professional standards;
- developed our approach to providing externally delivered assurance work for the trading company Ermine Street Housing;
- developed an embedded assurance framework to help the Greater Cambridge Shared Waster Service maintain their accreditation for ISO9001 and ISO14001;
- developed our brand across both Councils by actively participating in the organisation so that we have the relevant insight to add value, and reviewing our communications channels such as developing our internal audit web-pages;
- developed a new framework for action-tracking to provide assurance that planned improvements in the internal control environment is being delivered;
- actively worked with audit committees to develop their knowledge and improve their effectiveness to support the governance framework;
- been early adopters of Council Anywhere equipment and have already adapted to smarter ways of working;
- completed data quality assurance and managed data collection for the Cabinet Office's National Fraud Initiative, which was not included in the original business case; and
- continued to deliver the core work such as the audit plan, the Annual Governance Statement and providing supporting and assurance on key projects.

F. LOOKING FORWARD

Looking forward, to develop the SIAS, we maintain an immediate short-term plan (looking at immediate years 1 – 2), and a longer-term plan (years 2 – 5), which informs 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

The immediate focus in our short-term plan includes:

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 must follow Public Sector Internal Audit Standards (PSIAS), and the sector specific 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 is regularly updated, via an internal health check, and we will continue to implement improvements throughout 2020/21, as this supports our aim to be a modern and effective Internal Audit Service.
Governance	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 and driving improvements to the Local Code of Governance. 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><u>Longer term strategy</u></p> <p>2020/21 to 2022/23 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.</p>	
Develop real time risk assessments	<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>
Other assurance activities	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 and positively contribute to transformational change.
Brand awareness	It is important to promote the brand externally, and marketing material under the “Greater Cambridge” brand will be developed further, 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.
Commercial activities	Our main focus is to provide a quality service for our existing customers. Where an opportunity becomes available, with the potential to add value and resilience to our existing shared service, we will develop proposals to evaluate the commercial activity and opportunity for income generation. The SIAS will complete ongoing market analysis to identify our potential customers.

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

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

G. COMMUNICATION AND ENGAGEMENT

The SIAS presents Internal Audit plans to their audit committees, (known as “Civic Affairs” in CCC and “Audit and Corporate Governance” in SCDC) and consults with Management to identify the main risks and opportunities for both Councils. The plans are being considered jointly, and this helps us to promote our 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 our 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 an audit or consultancy work. This provides an opportunity to learn what works well, and how we can improve.

The SIAS participates 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, and helps to promote the brand throughout the Council.

SECTION 2: OPERATIONAL PLAN 2020/21

SECTION 2A: BUSINESS PLAN PERFORMANCE INDICATORS

	Priorities for the service	State where these priorities are outlined (Corporate plans, strategies)	Actions that will deliver the priority	Outputs from the activity	Outcomes from the activity
1	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.
2	Deliver joint risk-based plans for CCC / SCDC	Internal Audit Plan	Assurance and advice	Assurance, and action plans for further improvement that drive positive change.	Assurance for the Annual Governance Statement.
3	Key contact for fraud and error data-based analytics	Internal Audit Plan	Data verification, analytics, upload and investigation.	Reports and assurance statements	Opportunities for continuous improvement and active mitigation of fraud risks.
4	Corporate Governance	Internal Audit Plan	Assurance mapping; leading the continuous development of the Local Code of Governance, the Annual Governance Statement, developing the effectiveness of audit committees, and driving good practice through our customers	Assurance of effective controls, up to date policies and governance framework.	Assurance and control improvement. compliance with legislation and best practice.

SECTION 2B: SERVICE KEY PERFORMANCE INDICATORS

KPI	Performance Measures (provide a list only - target information is included in section 4)	Dependencies (ICT, Finance, Human Resources, accommodation etc)	Key risks to delivery (include how these will be mitigated)
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: 2020/21 SERVICE DEVELOPMENT ACTIVITIES

SECTION 3A: SERVICE DEVELOPMENT OBJECTIVES

DEVELOPMENT OBJECTIVE

Development objective	Managing Resources: The team needs to maintain a full establishment and recruit into current vacancies. The risk of vacancies was recognised as a risk in the original business case, so it is important to offer continuous professional development and career opportunities where possible.	Describe the desired outcome – what will it look like when it has been achieved?	A fully resourced team with a complimentary mix of skills and capabilities. Development opportunities.	Lead officer	Jonathan Tully
Is this a Project? (Yes/ No) and description	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.				
Business Benefits			How will it be measured?		
1. Improved service to customers			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		
Outputs & products	Resources	Responsible Officer		Target delivery date	
Reflect PSIAS review and customers audit plan resource needs.	2020/21 budget.	Jonathan Tully		March 2021	
Key risks	Unable to recruit from current market, lack of available quality candidates				

DEVELOPMENT OBJECTIVE

Development objective	Modern, efficient and effective team: Adopt digital working where possible for efficiencies. Be recognised as an ambassador for change and leader in modern ways of working.	Describe the desired outcome – what will it look like when it has been achieved?	Utilise digital working Simpler and more efficient processes.	Lead officer	Jonathan Tully
Is this a Project? (Yes/ No) and description	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. We have been reviewing our processes during 2019/20 and have modernised our approach by working digitally. The roll-out of ‘Council Anywhere’ in mid 19/20 has enabled us to start leveraging new software to drive further improvement. As a shared service we are an early adopter and are sharing good practice with colleagues throughout both Councils as an ambassador for change.				
Business Benefits			How will it be measured?		
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		
Outputs & products		Resources	Responsible Officer		Target delivery date
Digital file and working papers Time saved and deployed more effectively.		Council Anywhere MS Office applications – Office 365	Jonathan Tully		March 2021
Key risks		Lack of buy in to procedural change, from existing team members and customers. Infrastructure doesn’t support new procedures. Reliance upon ICT being available.			

DEVELOPMENT OBJECTIVE

Development objective	<u>Develop a strong brand awareness and culture for the SIAS.</u> It is important that both Councils recognise us as a mature shared service and proactively engage with us to maintain a strong governance, risk and control environment. Also, a strong brand will help us to promote our services externally.	Describe the desired outcome – what will it look like when it has been achieved?	Our customers recognise the SIAS as a strong and distinctive brand.	Lead officer	Jonathan Tully
Is this a Project? (Yes/ No) and description	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 2020/21.				
Business Benefits			How will it be measured?		
1. Improved service to customers – 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		
Outputs & products	Resources	Responsible Officer		Target delivery date	
Branding adopted into working papers and reports	Greater Cambridge branding guidelines	Jonathan Tully		March 2021	
Key risks	Not having enough resources (time and marketing skills) to promote the brand.				

DEVELOPMENT OBJECTIVE

Development objective	<u>Quality Management System.</u> 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.	Describe the desired outcome – what will it look like when it has been achieved?	Management information to help strategic planning	Lead officer	Jonathan Tully
Is this a Project? (Yes/ No) and description	<i>No. In 2018/19 we have developed an in-house Quality management System which has enabled us to record core performance information; and collect baseline data in 2019/20. We are refining this in 2020/21, as there are several dependencies on the functionality of Office 365 being rolled out through Council Anywhere. We have previously 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>				
Business Benefits			How will it be measured?		
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		
Outputs & products		Resources	Responsible Officer		Target delivery date
Data management system		Development of in-house systems. Dependency on Council Anywhere rollout.	Jonathan Tully		March 2021
Key risks		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	Managing resources. <i>The team needs to maintain a full establishment and recruit into current vacancies. It is important to offer continuous professional development and career opportunities where possible.</i>	Jonathan Tully
2	Modern, efficient and effective team: <i>Adopt digital working where possible for efficiencies. Be recognised as an ambassador for change and leader in modern ways of working.</i>	Jonathan Tully
3	Develop a strong brand awareness and culture for the SIAS. <i>It is important that both Councils recognise us as a mature shared service and proactively engage with us to maintain a strong governance, risk and control environment. Also, a strong brand will help us to promote our services externally.</i>	Jonathan Tully
4	Quality Management System for the SIAS. <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>	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 2 2019/20 to provide a comparison baseline. Full information, up to the end of the year will be included in the annual report.

KPI Reference and Description		Reporting frequency	2019/20 Q2 Actual	2020/21 Target
Key Service PIs (to be selected from the action plan at section 2B)				
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	69%	80%
KPI-4	Business success: Customer satisfaction	Annually	93%	80%
Business Plan KPIs (all PIs in the Business Plan that your service is responsible for should be listed here at Section 2A)				
Maintain PSIAS accreditation.		Annually	Compliant	Compliant
Deliver a joint risk-based plan for CCC / SCDC		Annually	Complete	Complete
Key contact for NFI		Annually	In progress	Complete
Annual Governance Statement		Annually	In progress	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 & 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 joint audit plan across our customers.</p> <p>Auditors work at any of the customer sites.</p> <p>New audit manual & audit software.</p>	<p>Regular meetings with senior management to develop customer relationships.</p> <p>Identify assurance gaps.</p>	<p>Undertake audits focused on specific & 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 customer needs.</p>
Outcome	<p>Standard and consistent processes. PSIAS compliance.</p> <p>Auditors work to same goals & 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 our customers.</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 and valued customers.</p>	<p>Motivated and engaged staff.</p> <p>Increased productivity.</p>

Appendix B – Internal Audit Resource Plan

We maintain an internal audit plan which is continually assessed to ensure our resources are allocated as effectively as possible to the Council's corporate priorities and high priority risks.

To help plan our resource need and focus our assurance work we present our plan to the relevant audit committees at least annually for approval, typically around the start of the Financial Year. The plan is compiled in consultation with Directorates, Chief Executives and External Auditors.

The current plan was approved by the relevant audit committees at [CCC](#) and [SCDC](#).

The resource needs assessment for the 2020/21 risk-based internal audit plan is shown below:

Assurance type	Description	Total days - CCC	Total days - SCDC	Total days - ESH
Corporate Plan Objectives	We develop a continuous risk-based plan which is designed to provide assurance across the Corporate Priorities / Objectives of the Councils. This is regularly reviewed to ensure that resources are allocated to the areas that add the most value.	350	180	20
Core Assurance Work	Our work includes reviews of systems that are fundamental to providing control assurance for internal financial systems, providing assurance to the s.151 officer and audit Committee contributing to the completion of the authority's Annual Statement of Accounts. Systems are reviewed on a rolling cycle to ensure that all are covered regularly.	100	50	0
Annual Governance and Assurance Work	Each year the Council issues a statement on the effectiveness of its governance arrangements. Internal Audit completes work which supports the production of the Annual Governance Statement, and we contribute to project and working groups where this helps to improve the governance risk and control environment.	80	70	0
Other resource provisions	We include a resource budget for work which proactively adds value to the Council, such as providing advice and consultancy, undertaking fraud and error work, and following up the status of management agreed actions. We also lead / contribute to the Risk Management Framework at each Council.	151	80	0
Grand Total		680	380	20