



Internal Audit Protocols

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Event	Name	Date
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1. PURPOSE AND SCOPE

- 1.1. This document sets out the procedures and governance arrangements between the University's Internal Auditors and University staff & committees.
- 1.2. It applies to audits in the University's three year Internal Audit Plan ("the plan"), from the point that the University's Audit and Risk Committee approves the plan.
- 1.3. The main procedures in scope of this document are as follows:
- Initial engagement: Approaching management in preparation of agreeing individual audit terms of reference/scopes, and agreeing the timeline for carrying out the audit work;
 - Approval and oversight of the agreed scope/terms of reference for an individual audit;
 - Changes to audits:
 - Adding or removing audits from the plan, or
 - Significant changes to the scope of an audit in the plan.
 - Approval for drawing down contingency days built into the plan;
 - Approval for changes to agreed timescales for audit fieldwork, reporting and presentation;
 - Issuing Audit Reports (draft and final versions);
 - Audit Follow Up: monitoring and reporting open audit actions;
 - Approval of changes to actions in approved/final audit reports.

2. INITIAL ENGAGEMENT

- 2.1. Purpose: To establish and manage working relationships with the correct people. To manage complexities at an early stage such as (but not limited to): timing constraints, scoping issues, logistics, conflicts of interest.
- 2.2. Procedure:
- a) All audits will have a single¹ UEB sponsor. On approval of the plan, the UEB Sponsor for the audit will:
 - Identify the manager(s) responsible for the audit, and provide these details to the Risk and Audit Manager.
 - Inform responsible manager(s) that the audit is in the plan, together with high level information regarding planned scope and timing.
 - b) The Risk and Audit Manager will provide appropriate initial contact details to the Internal Auditors (typically the UEB Sponsor and managers identified in (a)).
 - c) The Internal Auditors will contact the UEB Sponsor and the Responsible Manager(s) within four weeks of their details being supplied, to agree a date for detailed scoping work to begin.

3. APPROVING INDIVIDUAL AUDIT TERMS OF REFERENCE/SCOPE (INCLUDES CHANGES TO AGREED SCOPE/TERMS OF REFERENCE)

- 3.1. Purpose: To ensure that the audit assignment meets the objectives set out in the plan.

¹ For efficiency and to avoid confusion it is advised that only one audit sponsor is designated to a given Audit, although one individual may legitimately be the sponsor for more than one audit.

3.2. Procedure:

- a) The Internal Auditor will initially scope out the audit with the management identified in Section 2, agreeing the scope and timings in line with the plan, and identifying any additional parties required to support fieldwork.
- b) The detailed scope/terms of reference must be agreed with the UEB Sponsor.
- c) The UEB sponsor will notify the Registrar and Secretary, Finance Director, and Risk and Audit Manager that they have reviewed and agreed the scope/terms of reference.
- d) Where a significant change to the scope is proposed, the Registrar and Secretary and/or Finance Director will take a final view and advise the Internal Auditor, UEB Sponsor, and the Risk and Audit Manager whether fieldwork may begin.

4. CHANGES TO AUDITS IN THE PLAN (ADDITIONS/REMOVALS)

4.1. Purpose: To record approval for additions or removals to planned audits, ensuring that Audit and Risk Committee have the opportunity to comment or challenge such variations to the plan.

4.2. Procedure:

- a) Proposed changes are initially discussed between the Internal Auditor, responsible manager and UEB sponsor.
- b) The Internal Auditor will then raise the proposed change, in writing, with the Risk and Audit Manager.
- c) The Risk and Audit Manager will liaise with the Finance Director and/or Registrar and Secretary and other managers involved in the audit as appropriate.
- d) The Finance Director and/or Registrar and Secretary will review and respond to the Internal Auditor. If appropriate they will request formal approval for the change at UEB and Audit and Risk Committee, at the next available meetings, or by email circulation via the Secretary to UEB & the Audit and Risk Committee where time requires (so as not to delay the plan).
- e) Where notified by circulation, UEB and Audit and Risk Committee members will have 5 working days to respond. No response will be taken as no objection to the change.
- f) If approved: The Secretary to the Audit and Risk Committee will notify the relevant UEB Sponsors and Risk and Audit Manager of the Committee's approval. The Risk and Audit Manager will liaise as necessary with the Audit Sponsor and Engagement as per Section 2 will then apply.
- g) If not approved: The Audit and Risk Committee will advise on proposed adjustments and how to proceed. This will be communicated to the Risk and Audit Manager via Secretary to the Audit and Risk Committee .

5. CONTINGENCY DAYS

5.1. Purpose: This procedure clarifies the approval process for the use of contingency days (included in the plan), which are typically used for:

- increasing the number of days allocated to existing audits
- performing new/ad-hoc audits
- conducting unplanned investigative work which are still deemed within scope of the audit plan.

5.2. Procedure:

- a) The use of contingency days must be justified by the requestor (e.g. auditor, UEB member) and agreed by the Finance Director and/or Registrar and Secretary as appropriate.
- b) The use of contingency days will be reported to the next meeting of UEB and Audit and Risk Committee.

6. DELAYS TO AUDITS AND REPORTING

6.1. Purpose: To provide clarity on how to report delays in audit scoping, fieldwork and reporting.

6.2. Procedure:

- (a) Delays in scoping or fieldwork which are unlikely to impact reporting deadlines: No action required.
- (b) Reporting likely to be delayed or deferred: UEB Sponsor and Internal Auditor to discuss and seek approval from the Finance Director and/or Registrar and Secretary, prior to formal approval at the next meetings of UEB and Audit and Risk Committee.

7. DRAFT AUDIT REPORTS

7.1. Purpose: To outline arrangements for distribution of draft Internal Audit reports, once fieldwork has been completed.

7.2. Procedure:

- (a) The Internal auditors, UEB Sponsor and the relevant managers will liaise to review the findings of the audit, and where in agreement with issues raised, agree on appropriate management actions. In the case of disagreement with an issue raised, this will be included in the final audit report.
- (b) The draft report (including management actions) will be issued for comment to the Finance Director and/or Registrar and Secretary, the UEB Sponsor, the managers involved in the audit, and the Risk and Audit Manager.
- (c) Once comments have been received and any agreed adjustments made, a final report will be compiled by the Internal Auditors, to be received by the agreed deadline.

8. FINAL AUDIT REPORTS - DISTRIBUTION

8.1 Purpose: To outline arrangements for distribution of finalised Internal Audit reports, containing agreed findings and management actions.

8.2 Procedure:

- (a) Once a final report has been compiled by the Internal Auditors, it will be issued to the Finance Director and/or Registrar and Secretary, the UEB Sponsor, the managers involved in the audit, and the Risk and Audit Manager.
- (b) The UEB Sponsor is responsible for sharing any reports receiving a High-risk rating with UEB at the next available meeting.
- (c) All Final reports will be presented at the next available meeting of the Audit and Risk Committee.

9. POST AUDIT FOLLOW UP AND REPORTING

9.1 Purpose: To clarify what activity will be undertaken to ensure that agreed audit actions are completed.

9.2 Procedure:

- (a) For findings rated Low or Advisory, actions will be monitored locally and followed up by the UEB Sponsor.
- (b) For findings rated Medium, High, or Critical, the internal follow up process, outlined below, will be implemented:
 - Responsible managers are contacted periodically by Finance, for an update, which is recorded on a live actions log.
 - This activity is summarised and reported to Operations Group at their next meeting, and an equivalent summary of progress is sent to Risk and Audit Committee at their next available meeting.
 - Twice a year, the Internal Auditors will confirm that the completed actions have been resolved to their satisfaction. They will report their findings to the Audit and Risk Committee.
 - The Internal Auditors will issue a formal annual report, which is received and considered by Audit and Risk Committee, Council, and the Office for Students after the completion of the financial year.

10. FINAL AUDIT REPORTS – CHANGES TO APPROVED ACTIONS

- 10.1 Purpose: To outline the process to follow when changes to deadlines or actions are required in an approved audit report.
- 10.2 Procedure:
 - (a) For Low or Advisory rated actions, the proposed change must be agreed with and approved by the UEB sponsor, and the Risk and Audit Manager notified.
 - (b) For Medium, High or Critical rated actions, a clear rationale for the change must be provided to the Registrar and Secretary and Finance Director, including a consideration of any resultant control weaknesses and how these will be managed. The change will be reported to the meetings of UEB and Audit and Risk Committee, and the Risk and Audit Manager notified.
 - (c) The live actions log will be updated to reflect approved changes.