**Procedure**

**Management of Internal Audits**

**February 2025**



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# PROCEDURE

1. **Introduction**

This procedure provides a framework to manage and support the University’s internal audit process and also supports the University’s compliance assurance plan. Its intention is to provide assurance that Corporate Compliance is embedded organisationally, at strategic and local levels, and that improvements and corrective actions are identified and implemented efficiently and effectively.

The Internal Audit process covers areas of the University, its Governors, academic and professional support services, reputation and geographical reach.

**1.1 Purpose**

This document is designed to provide instruction and guidance on how the University manages and delivers its Internal Audit process.

Process flows supporting this instruction and guidance and showing actions, owners and timescales where appropriate have been prepared as follows:

***Appendix One: Internal Audit Framework: Process Flow, Ownership and Timescales***

***Appendix Two: Internal Audit Process Steps and Ownership.***

This document should be read in conjunction with the Corporate Compliance Policy and Corporate Compliance framework which follow the International Standard ISO 37301: 2021.

1. **Roles and responsibilities**

* The Internal Auditor owns the development and delivery of the three-year audit plan.
* The Internal Auditor will conduct audits and deliver reports outlined in the audit terms of reference.
* The Head of Compliance – Internal Assurance (UoW) owns the operational coordination of individual audits and reports
* The Head of Compliance – Internal Assurance (UoW) will manage, monitor and report on audit actions through to their completion and closure of the audit.

1. **Audit planning and timescales**

This is planned and managed by the Internal Auditor, in consultation with key university stakeholders, on a three-year rolling cycle and broken down as follows:

* Year one: the audit schedule is reviewed, updated where appropriate and signed off by Audit and Risk Committee in June prior to the new academic year. This will identify all audits scheduled for the year ahead, the quarter/period in which they will be conducted and where possible the scope of the audit.
* Years two and three: audits are identified, reviewed and agreed in principle by Audit and Risk Committee on the understanding that changes may be required based on movement on the University’s risk register or audits that have taken place (or been deferred) and require further investment and support to improve their audit rating.

As part of the planning process consideration will be given to resources required both from the internal auditor and the university to meet the schedule requirements.

This process outlines University areas for audit and is subject specific. When making decisions on areas for audit, consideration will be given to:

* The University Risk Appetite statement
* The University Strategic Risk Register: risks, controls and actions
* The Directorate or Faculty Local Risk Register: risks, controls and actions
* If appropriate project risk register content
* Themes arising from different audit outcomes
* Previous audits that may have a bearing on the focus of the audit or a more urgent need for further attention.
* Resources required and their availability when considering audit dates.

After review by the University Secretary , the plan will be submitted to the University Executive Board for recommendation in May and review, comment and final approval by Audit and Risk Committee in June.

Audit and Risk Committee reserves the right to instruct audits by exception at any point during the audit year or as part of the three-year rolling audit cycle.

1. **Internal Audit Process**
   1. **Audit Scoping and sign off**

Audit scoping meetings will take place in the quarter before the audit is scheduled. The Head of Compliance – Internal Assurance will coordinate these in liaison with the internal auditors and Audit Owner. They will be arranged to allow time for the scoping document to be reviewed and agreed by relevant stakeholders for final review and approval. Participants will include:

* Audit Sponsor
* Audit Owner
* Internal Auditor
* Head of Compliance – Internal Assurance

The scope will include, but not be limited to:

* Roles and responsibilities
* Stakeholders to be interviewed
* Documentation that must be provided by the Audit Owner at least two weeks in advance of commencement of audit fieldwork meetings.
* Scope of document review and evidence that may be required to support this
* Key milestones and timeline for completion of the audit.
* Additional considerations as determined by the audit.

The draft Terms of Reference will cover the points discussed in the scoping meeting and include an overview of the services provided to be broken down by timescales and roles. This will then be reviewed with the Head of Compliance – Internal Assurance for adjustment and/or agreement prior to final sign off.

Once the timescales are agreed, it is important that these are adhered to. If there are issues with achieving them, these must be raised at the earliest opportunity with the Head of Compliance – Internal Assurance so that a meeting can be arranged to agree how the audit timescales can be reviewed to stay within the timeline.

The Head of Compliance – Internal Assurance will coordinate the scope sign-off with the Director of Corporate Compliance, the Audit Sponsor and the Internal Auditor.

* 1. **Conducting the audit**

The criteria and timescales for conducting the audit will be confirmed in the Terms of Reference document arising from the scoping exercise. These will be finalized and circulated by the internal auditors prior to commencement of the audit.

1. **Audit Report**
   1. **Draft Report Review**

On completion of the audit, the internal auditor will provide a draft audit report and action plan. This will be initially shared with the Head of Compliance – Internal Assurance, the Audit Sponsor and Audit Owner for review at the closure meeting.

The Head of Compliance – Internal Assurance will arrange the closure meeting with the internal auditor, Audit Sponsor and Audit Owner at which the draft report will be reviewed with consideration for the following:

* Changes that may require amendments to the report.
* Significant findings that may require an urgent or immediate response (these may also be highlighted during the audit process).
* Findings that may require escalation to UEB or may become actions on the University’s strategic or local risk registers
* The action plan: the Audit Owner will be required to agree to or propose dates for the completion of actions identified in the plan. They will need to confirm that deadlines are realistic and achievable and have been agreed with action owners. They will also need to consider the available resource that will respond to the actions within the agreed timescales and how completed actions will be evidenced.

Reports that have not been through this process or where action plans are not complete cannot be put forward for review by the University Executive Board in advance of submission to the Audit and Risk Committee for final review and approval.

* 1. **Audit Report Approval**

The draft Audit Report will then be submitted to the Audit and Risk Committee for review and final sign-off.

1. **Audit Action Plan**

Once the audit report has been approved by the Audit and Risk Committee, the Corporate Compliance Team will upload the agreed actions to the internal auditing software package. The Audit Owner and action owners will be given access to the system if they do not already have it.

It is the responsibility of the Audit Owner to ensure that Action Owners manage and deliver the actions they have agreed to within the agreed timescales.

1. **Change Management**

**7.1 Audit Schedule**

Once approved the audit schedule cannot be adjusted without prior approval from the Vice Chancellors Group (VCG). Change requests will only be approved in exceptional circumstances. The process for requests for changes to the audit schedule or audit deferrals is as follows:

* If a change to a previously agreed item on the audit schedule is required, this must be made by the Audit Sponsor to the Head of Compliance – Internal Assurance. A clear explanation for the requested delay together with a proposed new audit date must be included.
* The Head of Compliance – Internal Assurance will arrange for this request to be presented to VCG for a decision to be made.
* Change requests must be made at least three months before the audit scoping meeting is due. This will allow time for consideration of the request. If the request is approved, it also allows time to consider how the vacant audit slot can be most effectively used.
* Audit deferrals will only be agreed in exceptional circumstances.

**7.2 Audit Reports**

* Changes to the audit report must be made during the review and approval process outlined above.
* Once approved by the Audit and Risk Committee further changes to the report itself cannot be made.

**7.3 Audit Actions**

* If changes to audit action deadlines are required, these requests must be made by the audit Action Owner through the traction system. A clear explanation for the requested delay together with a proposed updated delivery deadline must be included.
* Change requests will be reviewed by the Head of Compliance – Internal Assurance. If appropriate they will then be forwarded to the Director of Corporate Compliance for review prior to submission to the Vice Chancellors Group (VCG) for approval. This will be done at regular intervals dependent upon the number of change requests and no less than monthly.
* Before change requests are submitted to VCG the request will be assessed with consideration for:
  + The impact of the delay on University’s strategic, local or project risks
  + The impact of the delay on other audits or work activities
  + Potential to mitigate the delay using additional or alternative resource
  + Reassurance that the new proposed date is realistic and achievable and the degree of confidence in delivering against the new deadline.
* Whilst waiting for a decision the Action Owner should continue to work towards the originally agreed action deadline.

1. **Training & awareness**

Training is essential to ensure that the audit process runs smoothly and effectively and supports the cycle of continuous improvement.

Training needs relating to the internal audit process will cover culture, systems and processes and will be incorporated into an audit training plan owned by the Head of Compliance – Internal Assurance.

Any specific training needs will be discussed with the Audit Owner during the scoping process and a plan agreed prior to the start of the audit. This may include peer support and training on the Traction system. Training records will be kept for audit purposes (end of relationship plus 7 years).

1. **Further information, training and support**

For further information, training requests or support regarding the Internal Audit Process or Corporate Compliance contact: [compliance@wlv.ac.uk](mailto:compliance@wlv.ac.uk).

**Appendix One**



**Appendix Two**

