

## Internal Audit

### Background

The College's internal audit function is provided by KCG, an established and innovative service provider of internal audit, risk management and governance services that offers high quality professional service and value for Higher Education Institutions (HEIs) in London and the South East. KCG is a Consortium of HEIs that have pooled resources and shared costs to provide internal audit services to participating member institutions.

### Role and remit

Internal Audit, as defined by the Institute of Internal Auditors (IIA), is "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes." The prime responsibility of KGC Internal Audit is to provide the College's Council (through the Audit Committee), the Director, and the senior management team with an independent and objective assessment on the adequacy and effectiveness of the College's internal control framework. We are required to look at, and formally report on, the College's processes and systems (both financial and non-financial), its arrangements to ensure the achievement of Value for Money (VfM) in the delivery of its activities, its risk management processes and procedures, the IT environment, and its governance arrangements. Whilst remaining independent and objective, KCG Internal Audit takes a proactive, forward looking and risk based approach across all institutional activity. This approach enables us to:

- Provide assistance and advice in the assessment and management of institutional strategic and operational risks;
- Identify new ways of working, process improvement opportunities, cost savings and VfM opportunities;
- Provide advice on enhancements to governance, management and control arrangements;
- Act as a catalyst for institutional change (culture, structure etc.) and seek opportunities to enhance the delivery of corporate objectives.

### Contacts

At KCG, we believe that our success relies on the quality and experience of our staff. As a Consortium offering shared services amongst its member institutions, all staff working for KCG are jointly employed by the Consortium's members. The Internal Audit team for the College are all employees of the College. KCG and its staff believe that, to offer the most effective and successful service to its member institutions, we have to be accepted as your colleagues. We will therefore ensure that we take every opportunity to discuss issues with you on both a formal and informal basis.

The KGC Internal Audit Team for the College is:

 <p><b>Alan Lees BA FCA - Managing Director</b> Overall quality assurance. Attendance at Audit Committee meetings and other groups as necessary. Review of Internal Audit plans.</p> <p><b>M</b> 07836 271313 <b>E</b> <a href="mailto:a.lees@kcgaudit.co.uk">a.lees@kcgaudit.co.uk</a></p>	 <p><b>Nick Avery MA FCCA – Director and Head of Internal Audit</b></p> <p>Attendance at Audit Committee meetings and other groups as necessary. Preparation of Internal Audit Plans and Annual Internal Audit Report. Planning and liaison with the Deputy Director and Senior Management Team. Review of assignment Terms of Reference and work programmes. Delivery of specialist non-core process assignments and other specialist assignments. Attendance at relevant closure meetings with institutional senior management. Review of audit files. Preparation/review of draft reports. Issue of final reports.</p> <p><b>M</b> 07969 835918 <b>E</b> <a href="mailto:n.avery@kcgaudit.co.uk">n.avery@kcgaudit.co.uk</a></p>
 <p><b>David Jordan MA CISA – Assistant Director, IT Assurance</b> Delivery of IT assurance and other systems reviews as and when required.</p> <p><b>M</b> 07743 479243 <b>E</b> <a href="mailto:d.jordan@kcgaudit.co.uk">d.jordan@kcgaudit.co.uk</a></p>	 <p><b>Jayani Jayasinghe CA – Audit Consultant</b> Preparation of assignment Terms of Reference and audit programmes. Delivery of core process assignments. Preparation of draft audit reports. Attendance at closure meetings with institutional senior management.</p> <p><b>M</b> 07527 188342 <b>E</b> <a href="mailto:j.jayasinghe@kcgaudit.co.uk">j.jayasinghe@kcgaudit.co.uk</a></p>

The KGC Internal Audit team will maintain a presence at the College throughout the year. Please feel free to give us a call if you want to ask any questions, or require any further information. Alternatively visit our website at [www.kcgaudit.co.uk](http://www.kcgaudit.co.uk) where we have more detailed information about the Consortium, its members and the services we offer.

### **Our approach**

KGC utilises a “risk based” approach in carrying out its work. As a minimum, we are required to comply with HEFCE direction regarding internal audit in the HE sector. In addition however, we also take a broader view of the big issues that impact on the College. We will focus on the College’s most significant “risks” that could prevent the College from achieving its strategic priorities and objectives and provide an independent, objective and robust opinion as to whether College management are addressing these risks properly and whether it has effective risk management strategies, corporate governance structures and procedures in place to help it do so. This approach offers the benefit of aligning the development of our Internal Audit programme at the College with the continuing development of the College’s own risk management processes and risk registers.

## Working with the College

KCG Internal Audit operates as an 'in-house' function and is committed to providing a high quality service to all areas of the College. Delivery of this commitment depends upon a relationship that recognises the responsibilities of both KCG Internal Audit and those who use our service. In practice this means:

<b>We Will</b>	<b>We Need</b>
<p><b>Planning</b></p> <p>Contact the responsible or nominated College officer(s) to agree the most appropriate timing for individual audit assignments to take place. We aim to agree timings before the start of each term.</p> <p>Produce Terms of Reference and scope that are agreed with you. The Terms of Reference will reflect the key issues of financial and operational risk for your area that is being reviewed.</p>	<p>A response to the request for the appropriate timing of the audit. This will help us ensure that our work is carried out at a convenient time of the year for you and your area. This will also help us coordinate our work with other review agencies inside and outside of the College.</p> <p>You to make some time available to help us plan and scope the audit assignment. We will contact you to arrange the planning meeting at least a week before the start of the audit but usually around two weeks before.</p> <p>To know if there are any areas of significance or concern as this may affect our planning or approach. We will also need to be kept informed of any factors that may impede us completing our work or may affect us meeting our agreed deadline dates.</p>
<p><b>Delivering</b></p> <p>Provide a professional and independent service through adherence to professional audit standards and membership of professional bodies and networks.</p> <p>Carry out our work to meet the agreed terms of reference / scope. Any variation from this will be jointly agreed before any of this additional work takes place.</p> <p>Endeavour to work in a way that causes minimal disruption to your work environment during our audit.</p> <p>Provide you with on-going feedback and progress reporting during the audit review – areas of significant concern will usually be raised before the formal audit feedback starts.</p> <p>Keep you informed of the likely impact and revise the appropriate dates, where further work is required which may affect the timing of our reporting and feedback.</p>	<p>Access to staff, records and assets during our assignment – we may need to take copies of some documents – where possible these will be identified in advance of the audit review starting. We have stringent data protection and confidentiality policies and procedures and are enhancing these further to ensure compliance with the General Data Protection Regulations.</p> <p>You to identify key staff that we need access to in advance of us starting our work.</p> <p>Depending upon the nature of the work we carry out, somewhere to work – we will discuss the practicalities of this with you at our planning meeting.</p>

**Reporting**

Produce balanced and practical audit reports with recommendations that are practical, supported and justified within the report. We will also ensure that anything we recommend contributes to the achievement of the College's and your own area's objectives.

Report to you in a timely manner.

Respect the need for privacy or confidentiality. Provide you with an opinion that gives assurance or otherwise on the areas that have been reviewed.

Report the progress of our work (including any fundamental recommendations) to each meeting of the College's Audit Committee.

A timely response to our draft audit report so that it can be progressed to the stage of an agreed final report as quickly as possible. We usually ask that you respond to us within ten working days of the draft being received.

You to complete the action plan produced as part of the draft report and identify any nominated officers with practical and reasonable time scales for implementation of recommendations.

You to complete our Quality Assurance Questionnaire that is dispatched along with the final report. We use this as a basis for identifying improvements to our service and for reporting upon our performance to the Audit Committee