

## SWAP Engagement Protocol

### Background

It is important that the audit experience is useful to our partner organisations, one where the outcomes are seen to add value, even if that value is to provide assurance that internal controls are working effectively.

The Annual Internal Audit Plan is developed to focus on the high or emerging risks and any anticipated challenges facing the Authority. Once the audit plans are approved by the Audit Committee SWAP needs to deliver the Audits throughout the year. Sufficient resource is available as long as no significant delays are seen. SWAP are limited in their ability to 'carry' additional resources to respond to delays or difficulties in progressing annual plans.

On occasions, audits are deferred at the last moment by Partner services or services are not ready for the audit, this is occurring too often and causing difficulty in our resource planning. Audits that are unnecessarily protracted or delayed can reduce the value added in that some of the findings may become out of date or irrelevant; the impetus to address control weakness may be lost.

To help address this matter we recommend the following process, outlining the roles and obligations of SWAP and those of the Partner Organisation.

### Roles and Obligations

SWAP	Partner Organisation
Meet with key stakeholders to determine annual plan.	Agree areas for inclusion in plan and preferred quarters.
Prepare annual plan and ensure approved by Audit Committee.	Agree and approve annual plan.
If notified of a change to the plan schedule new review into the work programme.	If the partner organisation identified new risks notify SWAP and agree changes to the annual plan to include a new review.
One month before each quarter SWAP will write to all service managers subject to an audit in the quarter to set initial meeting dates.	Acknowledge audit and accept initial meeting request, if not possible and audit needs to be deferred the reason MUST be relayed to SWAP within one week.
If an audit can't be performed SWAP must agree a replacement audit with the client officer, any time already utilised will be deducted from the replacement audit.  If a replacement cannot be found the audit time may be lost without replacement	The Client officer will agree an audit to bring forward along with the remaining days available for delivery.
Discuss the below during initial meetings:  Objective, Scope, Risks and Controls, Data Requirements, Staff availability, Timescales and close	Agree proposed programme. Ensure all data requirements are provided and any background evidential information in advance of fieldwork.

SWAP	Partner Organisation
out meeting date.	
Prepare a Terms of Reference outlining objective and scope of review.	Terms of Reference to be signed as agreed and returned within one week
If scope is too wide for current budget but necessary discuss with client officer where the additional time will come from.	Client officer to approve additional time require and where this will come from.
Start fieldwork, ensuring any significant issued are raised and discussed at the time of finding.	Make all evidence and data requirements available in a timely manner.
Delays in receiving data or evidence to be escalated through a SWAP Assistant Director and if required through the client officer	Senior Managers/Client Officer will endeavour to ensure data and evidence is provided in a timely manner.
A discussion document will be sent out before the close out meeting to agreed contacts.	Will note discussion document and prepare for close out meeting.
The close out meeting will address any matters that need clarifying and obtain general agreement to audit opinion findings and recommended actions.	Will accept the audit opinion. Findings and recommended actions and/or highlight areas of disagreement for discussion and resolution.
If the close out meeting has to be cancelled by either party, they will provide as much notice of this and possible and be responsible for rescheduling an alternative date within two weeks of the original scheduled date.	
Issue a formal draft to agreed wider audience within one week of the close out meeting.	Respond to the draft report, completing action plan within two weeks of receipt of draft report.
Issue final report following receipt of draft with completed responses to agreed contacts.  If draft response not received in two weeks this will be escalated to SWAP Assistant Director and partner client officer. If no response within four weeks final report to be issued with note saying actions to be agreed.	Take responsibility for the final report and implement agreed actions.