



**HAINES WATTS**

**AUDIT AND**

**CONSULTANCY**

**SERVICES**



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## **Introduction**

This booklet introduces the HW approach to providing quality internal audit services. Our methodologies combine proven audit techniques with extensive use of IT and a careful mix of generalists and specialists to deliver a sound service. Our commercial approach is designed to deliver a cost effective value added service in line with public sector aims and objectives.

Clients can benefit from HW Internal Audit Services by drawing on as many or as few of our skills as they require. We are as pleased to supplement in-house resources with specialist input such as computer audit and contract audit or help with audit planning and training as we are to provide a full internal audit service.

We provide leading edge advice and consultancy and our approach clearly demonstrates the benefits of true partnership working.

Whatever your requirements you can rely on our professional and friendly approach, delivering effective solutions to meet your needs.



## **HW Profile**

Haines Watts was formed in the 1930s and has grown steadily to become a firmly established top 20 firm in the United Kingdom.

As the 16<sup>th</sup> largest firm with 42 UK offices we provide all the services expected of a large and well-established professional firm whilst retaining a personal approach and quality of service.

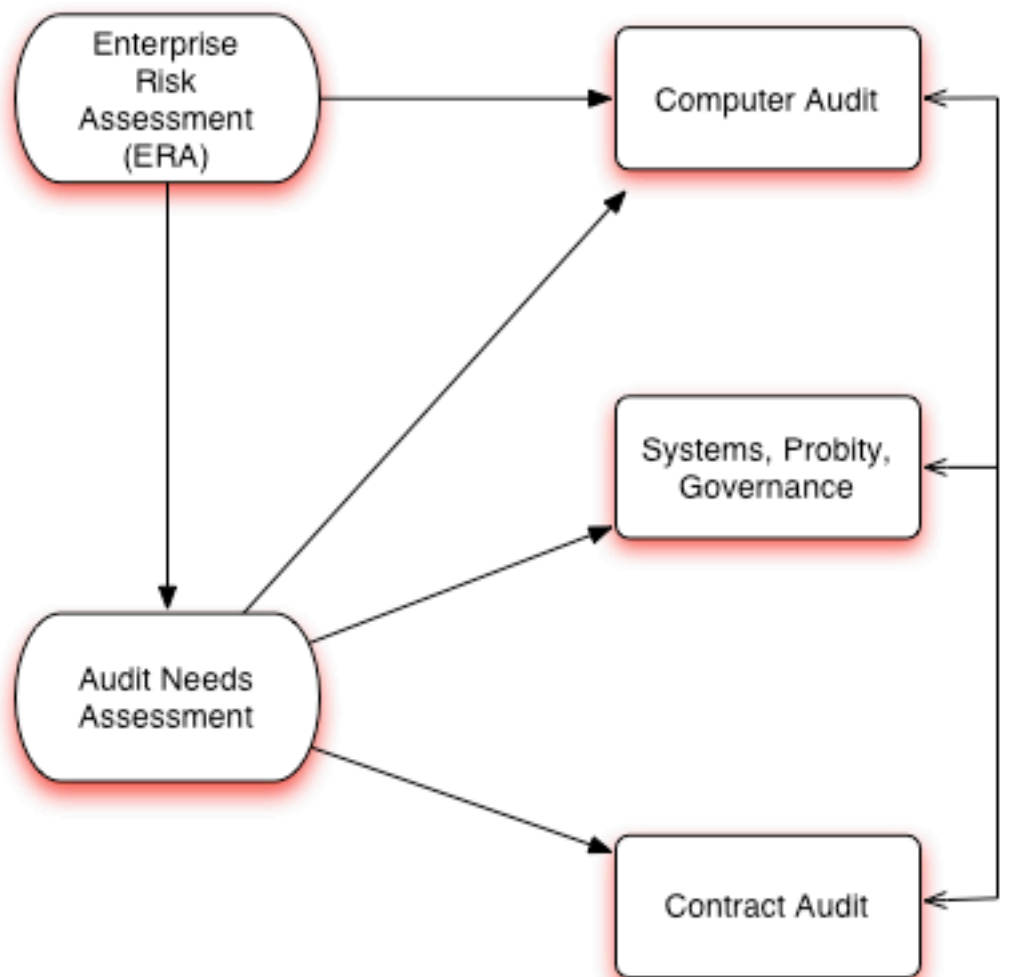
HW's Public Sector experts are particularly adept at close partnership working and we have gained a reputation over recent years for delivering innovative audit solutions to local and central government clients. We provide as many or as few of our services necessary to augment the available in-house resources and deliver a balanced added-value service to the internal audit client. Our preferred style is pro-active with close liaison and attention to the wider strategic issues, as well as detail.

It is our policy to devote a high proportion of partner time to maintain effective working relationships with clients. The people you see at the outset are those who will actually be responsible for delivering the work.

**Haines Watts Internal Audit Services  
(HWIAS)**

**PLANNING**

**DELIVERY**



**Quality : Cost Effective : Innovative : Service**



## **Menu of Services**

We provide our services as discrete reviews or part of a wider audit contract. Our aim is to complement your own arrangements and skill base.

### **Planning & Delivery**

- strategic planning
- improvement planning
- governance
- enterprise risk assessment studies
- comprehensive performance assessment (CPA)
- integrated computer and systems audits
- discrete systems audit
- discrete computer audit
- revenue and capital contract audit

### **Added Value Services**

- Information Systems Management (ISM);
- ISO17799
- data protection and freedom of information
- penetration testing
- internet and intranet security
- e-mail security
- disaster recovery
- Value For Money studies
- VAT and specialist taxation advice
- business process re-engineering
- accountancy support
- fraud and special investigations
- asset management and financing
- health and safety.



## **Computer Audit**

Information Communications and Technology (ICT) is in a state of permanent flux with the development of new technologies, modes of communication and continued reassessment of network infrastructures.

This continuing change requires, more than ever, senior management to adopt a corporate approach to planning and delivering audit programmes.

At HW we employ a risk-based approach to computer audit, designed to establish the nature and level of risk associated with each system. Indeed, HW in the mid 1990's pioneered the concept that we call "Enterprise Risk Assessment" (ERA), which was in effect the forerunner to what is now widely recognised as Risk Management.

Our team of highly experienced IT auditors are all QiCA or CISA qualified and undergo regular programmes to update and maintain existing skills and acquire new ones.

Underpinning each audit is the consideration of security implications and adherence to the principles established under the international IT Security Standard ISO 17799.



## **Enterprise Risk Assessment (ERA)**

Our ERA approach takes into account an organisation's cultures, styles and approaches to service delivery. This risk based review enables us to identify:

- apparent strengths and weaknesses in an organisation's systems and controls, enabling better focus of the audit work, especially in organisations which rely heavily on automated systems and where fraud or misappropriation of assets could be an issue; and
- areas and functions which lend themselves to greater automation in the audit approach, thus reducing time taken to complete the tasks.

The process focuses on assessing an organisations attitude to the key tenets of good governance, as identified by the organisations management and staff.

The results of this review allow us to construct a risk profile for the organisation that feeds directly into the audit needs assessment.

The results can also be reported in graphical and narrative form using a best practice benchmark to highlight areas of concern.



## **Audit Needs Assessment**

The ERA process contributes significantly to formulating a risk-focused audit needs assessment and operational audit plan. We also take into account accumulated audit knowledge and we liaise closely with external auditors.

We use proven techniques to allocate risk index scores to each system. These are ranked and, with an appropriate input of adjustment based on audit experience, used to formulate the strategic and operational audit plans. The process takes into account:

- financial values;
- volume of transactions;
- devolution and delegation;
- contracted out services;
- system factors;
- managerial and control environment;
- sensitivity; and
- senior management views and concerns.



## **Systems Audit**

Qualified and experienced staff carry out each audit with day-to-day supervision by the Assignment Manager and regular Partner review.

Our approach utilises modern audit methodologies in the interests of efficiency and effectiveness. We use a variety of CAATs (Computer Assisted Audit Techniques) including IDEA where appropriate to remove the random approach to testing data, file and record structures. We also construct our approach to ensure that the environmental and logical controls are reviewed as part of the underpinning emphasis on systems security and network efficiency.

All of our auditors are trained to the highest standards and each audit is planned to ensure that:

- management policies, directives and statutory requirements are adhered to;
- assets of the Council are safeguarded;
- relevance and integrity of information is maintained; and
- principles of value for money are promoted.

HW devotes high-level time and resource to the audit planning stage as a matter of good practice. We formulate our audit programmes and associated tests to focus on those areas of greatest risk.



# **Contract Audit**

## **Capital contracts**

Our staff are widely experienced in all aspects of capital contract audit from pre-tender stage to final accounts and claims negotiations. We also work in association with a specialist firm of engineers and quantity surveyors to provide a comprehensive, authoritative and highly professional one-stop auditing service to meet all client needs.

## **Revenue contracts**

The accent on competition and resultant increase in revenue funded contracts has presented new challenges for auditors. We have many years experience of revenue contracts gained not only as auditors but also as contract providers in our own right. We offer practical and professional audit and consultancy advice on all aspects of blue and white collar services which are provided in a contractual environment.



## **Internal Audit Process**

Our Internal Audit Process encompass best practice from the public and private sectors and include:

- development of strategic and annual operational plans;
- an annual rolling review of the strategic plan;
- a brief for each audit which is agreed in advance;
- exit meetings to discuss points arising;
- a draft report with proposed action plan for comment and input by the auditee (and higher line management if necessary);
- final report incorporating management comments and an agreed action plan;
- adherence to KPI's; and
- satisfaction questionnaires that are used for feedback on performance.

### **Review**

Each piece of audit work is subject to a comprehensive review process. The audit manager agrees the audit brief before work commences. Audit files are then reviewed by the manager before being signed off. The assignment partner also selects a sample of working paper files for periodic detailed review.



## **Quality Assurance**

Our office administration practice manual and quality assurance standards relate to such areas as response times to correspondence and telephones, security of information, etc. We regularly review all of our systems as part of our Quality Control Review procedures.

In addition to our own monitoring and office procedures the quality of our service is regulated by a number of rigorous internal and external control mechanisms. These are:

- the Joint Monitoring Unit (JMU) of the ICAEW with whose standards we must comply.;
- the Institute of Chartered Accountants in England and Wales (ICAEW).;
- the Chartered Institute of Public Finance and Accountancy (CIPFA); and
- the Personal Investment Authority (PIA) with whom we are registered in respect of financial services advice.



# **Public Sector Clients**

## **Local Government**

Bournemouth Borough Council  
Cambridge City Council  
Corby Borough Council  
Crawley Borough Council  
Guildford Borough Council  
Hastings Borough Council  
Kettering Borough Council  
Mid Sussex District Council  
Northampton Borough Council  
Rushmoor Borough Council  
Stevenage Borough Council  
Wealden District Council  
Borough Council of Wellingborough  
Walsall Metropolitan Borough Council  
Oxfordshire County Council  
Northampton County Council  
Milton Keynes Council  
London Borough of Barnet  
London Borough of Richmond upon Thames  
Westminster City Council  
Wolverhampton City Council  
Wokingham District Council

## **Central Government**

National Audit Office  
Royal Parks Agency



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