

2013/14 Review of the Effectiveness of Internal Audit

ANNEX D

Schedule of recommendations – Progress update

| | Recommendation | Action Proposed by the Chief Internal Auditor (Timescale) | Progress at May 2014 | RAG Status |
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| 1 | All Internal Auditors to use locked print functionality when printing confidential materials. | The Chief Internal Auditor will raise this at the April team meeting (9 April 2014) | The new print facility which is due for rollout during 21014/15 includes this functionality. The Chief Internal Auditor has submitted a request to be in the first phase of the new print facility rollout | A |
| 2 | That all training (planned and completed) be logged on the Galileo Audit Management System. | A reminder of this requirement will be made at the April team meeting (9 April 2014) | Actioned | G |
| 3 | Amend the Charter to include a specific definition of 'senior management' | Amended Charter to be presented to Audit & Governance Committee in March 2014 (24 March 2014) | Actioned | G |
| 4 | Amend the Charter to clearly state that the Internal Audit function is part of the Council's Policy and Performance Service. | Amended Charter to be presented to Audit & Governance Committee in March 2014 (24 March 2014) | Actioned | G |
| 5 | That the Charter be amended to specify the role of the Monitoring Officer with regards to Internal Audit. | Amended Charter to be presented to Audit & Governance Committee in March 2014 (24 March 2014) | Actioned | G |
| 6 | That all identity cards be updated to include the required right of access information. | The Chief Internal Auditor will raise this at the April team meeting (9 April 2014) | Aim to have updated identity cards for all members of the team by end of Quarter 1 | A |
| 7 | Amend the Charter to reflect the arrangements set out in the Strategy Against Fraud and | Amended Charter to be presented to Audit & Governance Committee in March 2014 (24 March 2014) | Actioned | G |



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| | Corruption and the Financial Regulations to notify the Chief Internal Auditor of suspected or detected fraud, corruption or impropriety. | | | |
| 8 | That the Charter be amended to specify the arrangements for how consulting services will be managed | Amended Charter to be presented to Audit & Governance Committee in March 2014 (24 March 2014) | Actioned | G |
| 9 | That the Charter be amended to explicitly recognise the mandatory nature of the PSIAS. | Amended Charter to be presented to Audit & Governance Committee in March 2014 (24 March 2014) | Actioned | G |
| 10 | That the Chief Executive provide feedback for the performance appraisal of the Chief Internal Auditor on an annual basis. | This will be sought for 2013/14 and all subsequent years (April 2014) | Actioned | G |
| 11 | That the Chairman of A&G Committee provide feedback for the performance appraisal of the Chief Internal Auditor on an annual basis | This will be sought for 2013/14 and all subsequent years (April 2014) | Actioned | G |
| 12 | That the Chief Internal Auditor develops a Quality Assurance and Improvement Programme (QAIP) that meets the requirements of the PSIAS | A formal QAIP addressing the requirements of the PSIAS will be presented to Audit & Governance Committee in March 2014 (24 March 2014) | Actioned | G |
| 13 | That all formal review stages be completed and logged on the Galileo Audit Management System. | The Chief Internal Auditor will raise this at the April team meeting (9 April 2014) | Actioned | G |
| 14 | That arrangements for a periodic assessment for evaluating conformance with the PSIAS are included in the Quality Assurance and Improvement Programme. | A formal QAIP addressing the requirements of the PSIAS will be presented to Audit & Governance Committee in March 2014 (24 March 2014) | Actioned | G |

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| 15 | That the Chief Internal Auditor considers the potential for performance targets to assist in on-going performance monitoring. | The QAIP referred to above confirms performance reporting arrangements (24 March 2014) | Actioned | G |
| 16 | The new Quality Assurance and Improvement Process to stipulate the requirement for an external assessment to be carried out at least once every five years | AS ABOVE | Actioned | G |
| 17 | That the Internal Audit Charter be amended to explicitly state that an outcome of the delivery of the Internal Audit Plan is that the Chief Internal Auditor is able to make an evidence based Annual Audit Opinion of the Council's whole control environment. | Amended Charter to be presented to Audit & Governance Committee in March 2014 (24 March 2014) | Actioned | G |
| 18 | That the Internal Audit Plan demonstrates a clear link to the Council's priorities/goals. | The 2014/15 Internal Audit Plan presented to Audit & Governance Committee in March 2014 will seek to demonstrate links to the Council's priorities/goals. (24 March 2014) | Actioned | G |
| 19 | That the Chief Internal Auditor carries out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance | This will be addressed during 2014/15 (December 2014) | Work on this will commence in Qtr 2 and aim to be completed by December 2014 to assist in audit planning for 2015/16 | A |
| 20 | That formal arrangements be made to report periodically to senior management (requiring definition in the Internal Audit Charter) on the Internal Audit activity's purpose, authority, responsibility and performance relative to its plan. | The Chief Internal Auditor will consider how to formalise the current arrangements. (May 2014) | The Chief Internal Auditor has in previous years updated the Corporate Leadership Team, but more recently has also attended the Continual Improvement Board. The Chief Internal Auditor does not believe more "formal" | G |

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| | | | arrangements are required. | |
| 21 | That the Internal Audit Manual be amended to add 'Previous Audit Reports' to the list of sources that Internal Audits may find helpful when planning an Audit. | Agreed and already actioned (February 2014) | Actioned | G |
| 22 | That consideration be given to adding a resource identification section to the Audit Terms of Reference template. | This will be considered at the April meeting of the Audit Management Team (April 2014) | Actioned – the TOR show the name of the auditor(s) assigned to the audit and the date it is expected that the audit will be reported at Audit and Governance Committee. The Chief Internal Auditor considers this to be sufficient "resource" information in the current circumstances. | G |
| 23 | The Chief Internal Auditor to ensure suitable written understandings exist for all engagements completed for outside organisations | Agreed – as engagements are agreed (On-going) | Actioned | G |
| 24 | That Galileo be universally employed as the prime repository for all Internal Audit working files and related papers. | This will be reiterated at the April meeting of the Audit Management Team (April 2014) | Actioned – but note the Internal Audit team will start using MKInsight as a replacement to Galileo during 2014/15 (full implementation by September 2014) | G |
| 25 | That Galileo be universally employed as the primary log for all approvals and evidence of supervision of audit engagements. Where review comments are made on hardcopy documents (eg draft reports) these should be retained as evidence. The audit manual | This will be reiterated at the April meeting of the Audit Management Team. However it should be noted that Internal Audit is considering moving away from Galileo to a new Audit Management System. If this occurs this offers an opportunity to reinforce consistent working practices. (April 2014) | Actioned – but note the Internal Audit team will start using MKInsight as a replacement to Galileo during 2014/15 (full implementation by September 2014) | G |

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| | should be updated to reflect this requirement | | | |
| 26 | Consider including some wording on each audit report limiting use of report findings | This will be considered at the April meeting of the Audit Management Team (April 2014) | Will look to include in the Internal Audit Report template in the new Audit Management System (MKInsight) | A |
| 27 | That the QAIP be developed in such a way to support the statement that engagements are 'conducted in conformance with the PSIAS' (subject to an external review of conformance). | A formal QAIP addressing the requirements of the PSIAS will be presented to Audit & Governance Committee in March 2014 (24 March 2014) | Actioned | G |
| 28 | That future Annual Audit Reports explicitly state that there are no qualifications whatsoever to the issued Audit Opinion (if applicable). | The Chief Internal Auditor will include such a statement (if appropriate) in the Annual Audit Report presented to A&G Committee in May 2014 (29 May 2014) | Actioned | G |
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