

APPENDIX 2: INTERNAL AUDIT ACTION PLAN 2012/13

	GOOD PRACTICE ACTIVITY	ACTION REQUIRED	PRIORITY / TARGET DATE	CURRENT STATUS
CIPFA CODE OF PRACTICE FOR INTERNAL AUDIT IN LOCAL GOVERNMENT IN THE UNITED KINGDOM 2006				
SCOPE OF INTERNAL AUDIT				
R1	Are the organisation's assurance, risk management arrangements and monitoring mechanisms taken into account when determining Internal Audit's work and where effort should be concentrated? (IA Code 1.2.1)	Formally update the audit risk assessment in conjunction with services.	High March 2013	
R2		Develop a more structured approach for challenging and using risk registers to shape the audit plan and individual jobs.	Medium March 2013	
R3	Where services are provided in partnership has the Head of Internal Audit identified: <ul style="list-style-type: none"> • how assurance will be sought? • agreed access rights where appropriate? (IA Code 1.2.2)	Develop standard paragraphs to be included in all partnership agreements / SLAs covering: <ul style="list-style-type: none"> • IA access • whistleblowing • business continuity • and anything else that is relevant 	High December 2012	
R4		Ensure the IA Manual has an approach for auditing in these circumstances.	Medium December 2012	
R5		Check the final version of the Working in Partnership Toolkit to ensure it includes reference to how audit assurance will be obtained.	Medium December 2012	

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ORGANISATIONAL INDEPENDENCE				
R6	<p>Is there an assessment that the budget for Internal Audit is adequate?</p> <p>Does any budget delegated to service areas ensure that:</p> <ul style="list-style-type: none"> • Internal Audit adherence to the Code is not compromised? • the scope of Internal Audit is not affected? • Internal Audit can continue to provide assurance for the Statement on Internal Control? <p>(IA Code 2.2.3)</p>	<p>Produce a report for discussion covering risk appetite and audit approach required going forward.</p> <p>Include a review of costs.</p>	<p>High December 2012</p>	
RECORDING AUDIT ASSIGNMENTS				
R7	<p>Is there a defined policy for the retention of all audit documentation, both paper and electronic?</p> <p>(IA Code 8.3.3)</p>	<p>Update the document retention policy in line with the corporate approach</p>	<p>High July 2012</p>	

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REPORTING ON AUDIT ASSIGNMENTS				
R8	<p>Does the Head of Internal Audit have mechanisms in place to ensure that:</p> <ul style="list-style-type: none"> • recommendations that have a wider impact are reported to the appropriate forums? • risk registers are updated? <p>(IA Code 10.2.7)</p>	Develop an approach to be included in the Audit Manual of how auditors should interact with risk registers during an audit.	Medium March 2013	
PERFORMANCE, QUALITY AND EFFECTIVENESS				
R9	<p>Does the audit manual provide guidance on:</p> <ul style="list-style-type: none"> • carrying out day-to-day audit work? • complying with the Code? <p>(IA Code 11.1.1)</p>	Complete the management section of the Audit Manual	Medium March 2013	
PERFORMANCE AND EFFECTIVENESS OF INTERNAL AUDIT				
R10	<p>Do the results of the performance management and quality assurance programme evidence that the internal audit service is:</p> <ul style="list-style-type: none"> • meeting its aims and objectives? • compliant with the Code? 	Complete the assessment against the Role of the HoIA good practice	Medium August 2012	

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	<ul style="list-style-type: none"> meeting internal quality standards? effective, efficient, continuously improving? adding value and assisting the organisation in achieving its objectives? (IA Code 11.3.1)			
COUNCIL'S MANAGER ASSURANCE STATEMENT				
BUSINESS PLANNING AND STRATEGY				
R11	The Service Plan makes clear how the service delivered is equitable or what actions are being taken to make it so	Completed Equality Impact Assessment for the 2012/13 terms of reference and strategy. Implement any improvement actions identified, if anything arises from this.	Medium August 2012	
RISK MANAGEMENT				
R12	Risks to the successful delivery of service objectives are identified and effectively managed	Update the risk register in the light of the current IA staffing situation across the two councils and the merger of the IA team with the Corporate Fraud Investigations Team.	Medium August 2012	

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BUSINESS CONTINUITY				
R13	Business continuity and emergency plans have been developed for the service.	Produce a business continuity plan for the combined internal audit teams (across the two councils) and the Corporate Fraud Investigations Team. Save in both electronic and hard copy at both council sites. Test the plan every 12 months.	Medium August 2012	
DATA QUALITY				
R14	Data used for decision making complies with the six characteristics of good quality data: <ul style="list-style-type: none"> • Accurate • Valid • Reliable • Timely • Relevant • Complete. 	Strengthen the evidencing of the data quality checks undertaken in respect of the performance indicators produced each quarter which involves: <ul style="list-style-type: none"> • the Business Administration and Audit Support Officer calculating the information • the Audit Manager checking and signing it off. 	High August 2012	
R15	All performance information is collated and reported through Covalent.	Explore the cost and potential value of Covalent's new internal audit module. (At present, some of this information is available from Covalent re implementation of recommendations. The other information is contained on APACE and reported quarterly as part of the Summary Audit Progress Report.)	Medium December 2012	

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INFORMATION MANAGEMENT				
R16	Staff are aware of their responsibilities around information management security	Undertake a thorough review of all electronic files and ensure those held comply with the Council's information management policy.	High August 2012	
R17		Include a section in the Team Management Manual on how to apply the Council's information management to audit files.	High March 2013	
VALUE FOR MONEY				
	The service / group understands, and has evidence of, how it delivers in an economical, effective and efficient way	See R6 above		

This action plan combines service improvements opportunities identified from:

- the annual performance assessment against the CIPFA: Code of Practice for Internal Audit in Local Government in the United Kingdom 2006
- annual Manager Assurance Statements 2011/12

High Priority = Will focus on completing this work in 2012/13

Medium Priority = May get rolled into 2013/14 if resources are not available to complete this year