

Appendix 4: Compliance with UK Public Sector Internal Audit Standards Action Plan (SBC Version) as at 31st December 2018

Action required	Current status	Date
Attribute Standards		
1100 Independence and Objectivity		
<i>1111 Direct Interaction with the Board</i>		
Re-establish annual Audit Committee performance assessments in line with good practice.	<p>New good practice guidance was published in May 2018. Good practice workshop is being undertaken with the Audit Committee in September 2018.</p> <p>At some point, an assessment of compliance with CIPFA's best practice expectations should be produced. This can then be considered as part of a wider review of the Council's governance and assurance framework.</p>	HoIA, 31 March 2019
1200 Proficiency and Due Professional Care		
<i>1230 Continuing Professional Development</i>		
Continue with the recruitment programme for professional audit staff during 2017/18.	<p>No further recruitment was undertaken in 2017/18.</p> <p>In April 2018, an experienced Senior Auditor on the team was promoted to Audit Manager.</p> <p>In July 2018 a current council employee was seconded into an Audit trainee role with a view to making this appointment permanent.</p> <p>This leaves the combined team with six vacancies out of ten posts. The intention is to fill some of the posts with graduates or school leavers, who will be put through a relevant training programme.</p>	Implemented and ongoing
Create and then recruit to the Business Support function that will support both the Internal Audit and Counter Fraud & Investigation Directorate.	<p>The Business Support Team is in the process of taking over the relevant functions from the two teams.</p> <p>The capacity of the team to deliver the increased</p>	HoIA, 31 Mar 2019

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	workload will be monitored over the autumn.	
1300 Quality Assurance and Improvement Programme		
Re-introduce cold file reviews when more fully staffed and include a sample of contractor files.	<p>This has now been built into the Audit Strategy presented to Audit Committee in April 2018.</p> <p>This is not currently a priority due to the positive outcome of the PSIAS Inspection in October 2017, but will be introduced when there is sufficient resource in the team.</p>	To be determined
1311 Internal Assessments		
Reinstate a full set off performance indicators once the team is more fully resourced with in-house staff.	This has now been built into the Audit Strategy presented to Audit Committee in April 2018 and will be implemented as soon as is practical.	To be determined
Performance Standards		
2000 Managing the Internal Audit Activity		
2010 Planning		
<p>Summarise the activities considered significant enough to warrant periodic, independent challenge by internal audit.</p> <p>Present the list periodically to senior management and the Audit Committee as part of the audit planning process.</p>	This will form part of the papers presented to support the 2019/20 Audit Plan.	HoIA, 31 Mar 2019
<p>Consider how to split out time allocated to a review on:</p> <ul style="list-style-type: none"> pure audit work advice and support. 	The time recording system will be amended to capture advice and support given throughout audits. This will be reviewed for effectiveness over the next six months.	AMs, 31 Mar 2019

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2030 Resource Management		
When resources allow, arrange more regular meetings with individual Group Managers as required, to help progress work in the Audit Plan.	These sessions have been taking place throughout 2018/19 as audits have been planned and set up. This work will continue.	AMs, 31 Mar 2019
2040 Policies and Procedures		
<p>Refresh the Audit Manual and supporting forms to reflect:</p> <ul style="list-style-type: none"> • updates in the Standards • current working practices • any issues arising from the independent external assessment. 	<p>Most of this work is still in progress. It will take longer than anticipated to complete due to the changes in the senior management team between Jan and Mar 2018.</p> <p>Work is also needed to update the Audit Manual to detail the approach adopted by the team which ensures compliance General Data Protection Regulations (GDPR) from May 2018.</p>	AMs, 31 Mar 2019
2050 Co-ordination and Reliance		
At all clients, further develop the "other assurance" element of the audit risk assessments particularly with regard to corporate business management processes, as part of the 2018/19 audit planning round.	This work has commenced as part of the Audit Planning process for 2018/19. This will be developed throughout the year as audit work is completed and as part of the 2019/20 audit planning process.	HoIA, 31 Mar 2019
2100 Nature of Work		
2110 Governance		
Assess whether an ethical governance audit should be included in 2018/19 Audit Plan.	This will be considered as part of the audit planning for 2019/20.	HoIA, 31 March 2019

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2200 Engagement Planning		
2210 Engagement Objectives		
Make sure that the audit approach makes the links to performance management as part of the planning process.	<p>The audit planning form requires auditors to consider what criteria or measures of success management have established to determine whether the activity's objectives are being achieved.</p> <p>Focus will be given to assess the effectiveness and appropriateness of these measures in future audits.</p> <p><i>(Also see Standard 2040 about Policies and Procedures)</i></p>	AMs, 31 March 2019
2300 Performing the Engagement		
2330 Documenting Information		
Set up a project to check all files and destroy whatever is necessary to comply with the Retention Policy.	<p>This project is well underway with document disposal and retention work being undertaken on all client files.</p> <p>Disposal of paper files is complete and the review of electronic files continues.</p> <p>The team are awaiting the publication of a corporate retention schedule detailing requirements around personal data held in areas such as electronic personnel files.</p> <p>A Disposal and Retention Log is in use, which also serves as the service's Information Asset Register.</p>	BSM, 31 March 2019

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2400 Communicating Results		
2410 Criteria for Communicating		
<p>Include an instruction in the operational protocol that meetings should always be held to:</p> <ul style="list-style-type: none"> • feedback findings at the conclusion of fieldwork • discuss the draft report. 	<p>Operational protocol documents for in house staff (Audit Management Checklist) and the “Ways of Working” document with contractors are clear about discussing draft reports with clients.</p> <p>Both documents need to be amended to clarify expectations that:</p> <ul style="list-style-type: none"> • findings will be fed back during the audit, so there are no surprises • all auditors will have a final feedback meeting on conclusion of the fieldwork. 	AMs, 31 March 2019
Reassess the reporting templates as part of updating the Audit Manual, to see how underlying issues with the Council's governance arrangements could be highlighted.	This will be reassessed after senior management have undertaken the review of the risk management, control and governance arrangements that is due following the introduction of the council's new vision and strategic framework.	HoIA, 31 March 2019
2420 Quality of Communications		
Build triggers into the Audit Manual that remind staff to keep clients informed of when reports can be expected and if there are delays in producing them.	<p>Work outstanding is to:</p> <ul style="list-style-type: none"> • amend the Planning, Fieldwork and Reporting sections of the Audit Management Checklist for in house staff • add this to the “Ways of Working” document with contractors. <p><i>(Also see Standard 2030 About Resource Management regarding monitoring delivery of work which also contributes to this action).</i></p>	AMs, 31 March 2019

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Reinstate target for issuing draft reports once the team is more fully resourced.	This has now been built into the Audit Strategy presented to Audit Committee in April 2018 and will be a focus of the team from now on.	Implemented
Complete the project on upgrading / refreshing how we use APACE, our time recording / performance management data base.	This work has been paused whilst the Business Support Manager reviews the list of improvements and changes required to the database's functionality with the new Head of Internal Audit.	BSM, 31Dec 2018
Use APACE effectively to timetable the delivery of audits and monitor progress against both budgets and timelines.	<p>APACE, in conjunction with the Internal Audit Resource Schedule, is now being used to:</p> <ul style="list-style-type: none"> • allocate, phase and cost audits • allow the Business Support Team to monitor the delivery of audits against both the Audit Plan and the financial profile. <p>Reports on job budget monitoring are being provided to the team on a weekly basis.</p> <p>Opportunities to do this more effectively are being considered in the projected noted above.</p>	Implemented
<p>Include a requirement in the Audit Manual about:</p> <ul style="list-style-type: none"> • issuing the guidance to and discussing it with clients within the draft terms of reference • attaching it as an appendix to the report. 	This is still work in progress. It will take longer than anticipated to complete due to the changes in the senior management team between Jan and Mar 2018.	AMs, 31 Mar 2019
2431 Engagement Disclosure of Non-Conformance		
Consider updating the Audit Manual with a small section covering this particular situation and referencing PS2431.	This is still work in progress. It will take longer than anticipated to complete due to the changes in the senior management team between Jan and Mar 2018.	AMs, 31 Mar 2019

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2500 Monitoring Progress		
Introduce the process for management to provide the Audit Committee with this assurance for reports with high and satisfactory audit opinions.	The Business Support Team is currently working on this project with Council officers.	BSM, 31 Mar 2019
Finalise the arrangements for reporting to Audit Committee on management sign off of action plans for audit reports with high or satisfactory opinions.	The Business Support Team is currently working on this project with Council officers.	BSM, 31 Mar 2019
Design the content and format of a report to go to Audit Committee, for each client that shows the progress made by services in addressing agreed actions, for each live audit report.	The Business Support Team is currently working on this project with Council officers.	BSM, 31 Mar 2019

Key:

- HoIA, Head of Internal Audit
- AM, Audit Manager
- BSM, Business Support Manager