

## WAO CGI & FOLLOW-UP INSPECTION – Audit Action Plan (Proposal for improvement P6)– Progress as of 14/04/2015

<b>(P6) The Council should develop a robust action plan for improving Internal Audit. This should take account of the outcome of the self-assessment against the Public Internal Audit Standards. Reporting and monitoring mechanisms need to be agreed to maintain momentum.</b>	A robust Action Plan will be developed and presented to Audit Committee in March 2015. The delivery of the Action Plan will be monitored by the IGPB. <b>SRO: Stephen Harris, Acting Head of Corporate Finance. March 2015</b>	The Action Plan below was presented to and approved by Audit Committee on 11 <sup>th</sup> March 2015. The plan is being monitored by the IGPB
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INITIAL REVIEW	FOLLOW UP REVIEW	INTENDED ACTIONS	Responsible officer & target date	IGPB Monitoring Status
Re-assesses its expectations of the Internal Audit service and puts in place a change programme to address the findings of this inspection	The Council is beginning to address aspects of our recommendations to improve Internal Audit but it lacks a robust action plan to ensure it can keep track of progress	Completion of action plan and presentation to Audit Committee.	RH - 11/3/15	<b>In progress</b>
<b>Strategy &amp; vision</b>				
Audit Charter & strategy.	Audit charter / strategy in place. Key challenge is to ensure that these are now translated into practice.	Audit Charter approved by Audit Committee 10/09/14.	RH - ongoing	<b>Completed.</b> <u>Longer-term:</u> <ul style="list-style-type: none"> <li>▪ continue the practice via Audit Committee Meetings, meeting with Members, meeting with CTM, DMT and Heads of Service.</li> <li>▪ Periodic review of Charter as &amp; when necessary</li> </ul>
<b>Engagement with Audit Committee</b>				
Greater interaction with the Audit Committee.		<ul style="list-style-type: none"> <li>▪ Interaction with the Audit Committee has already increased and is set to continue with IAM input into Audit Committee training programme and regular meetings with the Audit Committee Chairman.</li> </ul>	RH throughout 2015	<b>Completed.</b> <u>Longer-term:</u> <ul style="list-style-type: none"> <li>▪ continue the practice of new regular meetings and review when necessary</li> </ul>
Input into strategy and vision.		<ul style="list-style-type: none"> <li>▪ Audit Charter approved by Audit Committee 10/09/14.</li> </ul>	RH - ongoing	
<b>Planning</b>				
Greater interaction with the Directors & CEO.		<ul style="list-style-type: none"> <li>▪ Periodic attendance at Directorate Management Teams to supplement emails to Heads of Service.</li> </ul>	RH - Jan/ Feb 2015 and ongoing	<b>Completed.</b> <u>Longer-term:</u> <ul style="list-style-type: none"> <li>▪ continue the practice and review when necessary</li> </ul>
Available resource v. audit need.		<ul style="list-style-type: none"> <li>▪ This will be covered annually in the Annual Audit Plan report.</li> </ul>	RH - ongoing	<b>In progress</b>
Terms of reference agreed for each audit assignment.		<ul style="list-style-type: none"> <li>▪ This has already started to happen and is evolving with every piece of work.</li> </ul>	RH - ongoing	<b>Completed.</b> <u>Longer-term:</u> <ul style="list-style-type: none"> <li>▪ continue the monitor and evaluate the new practice (scoping meeting and TOR)</li> </ul>
<b>Risk based focus</b>				
Mapping strategic risk to audit plan.	Audit plan is evolving but still predominantly focussed on financial areas.	Audit plan will continue to evolve and develop in line with engagement with Management. Key risk areas discussed at Directorate Management Team meetings.	RH - ongoing but no later than June 2016	<b>Completed.</b> <u>Longer-term:</u> <ul style="list-style-type: none"> <li>▪ Continue to monitor emerging risks &amp; issues as well as needs of management</li> </ul>

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INITIAL REVIEW	FOLLOW UP REVIEW	INTENDED ACTIONS	Responsible officer & target date	IGPB Monitoring Status
<b>Reporting &amp; communication</b>				
Not all reports signed out by IAM.		<ul style="list-style-type: none"> <li>To be reviewed and included within audit manual.</li> </ul>	RH/DG - March 2016	<b>In progress.</b>
Follow up mechanisms could be improved.		<ul style="list-style-type: none"> <li>To be reviewed and included within audit manual.</li> </ul>	RH/DG - March 2016	<b>In progress.</b>
Communication with stakeholders somewhat variable.		<ul style="list-style-type: none"> <li>Audit clients are to be briefed on the audit process at the commencement of each assignment.</li> </ul>	RH/DG - ongoing	<b>Completed.</b> <u>Longer-term:</u> <ul style="list-style-type: none"> <li>continue the monitor and evaluate the new practice (scoping meeting and TOR)</li> </ul>
		<ul style="list-style-type: none"> <li>Reporting protocols within the Audit Service will be defined within the audit manual.</li> </ul>	RH/DG - March 2016	<b>In progress.</b>
<b>Quality assurance &amp; performance mgt.</b>				
Quality review of files.	Has not assessed against PSIAS although is looking to participate in contract arrangement being established within South Wales.	A self assessment against PSIAS will be undertaken in order to identify areas for further development prior to the external assessment.	Staff group – Sept. /Oct. 2015	<b>In progress.</b>
	Working papers could be improved in terms of level of review & quality of documentation.	This will be reviewed and addressed in the new audit manual.	RH/DG - March 2016	<b>In progress.</b>
Inconsistency in the issue of reports.		This will be reviewed and addressed in the new audit manual.	RH/DG - March 2016	<b>In progress.</b>
Performance measures should be introduced & reported.		All wales annual benchmarking exercise is undertaken with quarterly data collected and recorded on Fynnon.	Ongoing on a quarterly basis	<b>Completed.</b> <u>Longer-term:</u> <ul style="list-style-type: none"> <li>Used as part of self-evaluation</li> </ul>
<b>Use of technology</b>				
No integrated mgt. system in place for audit planning, execution, documentation & reporting.		Cost and resource implications will need to be assessed against benefits. Have been using existing software since 1996 without major issues.	RH/DG - March 2016	<b>In progress.</b>
		<ul style="list-style-type: none"> <li>Audit manual to be re instated. Full rewrite to include the outcomes of the reviews identified above.</li> </ul>	RH/DG - March 2016	<b>In progress.</b>
		<ul style="list-style-type: none"> <li>Enhanced commitment to training of staff to increase knowledge of the requirements of the new standards.</li> </ul>	Courses already booked up to June 15	<b>In progress.</b> <u>Longer term:</u> Ongoing commitment to take up of suitable courses