

TEST VALLEY BOROUGH COUNCIL EXTERNAL ASSESSMENT APRIL 2019 ACTION PLAN

Ref	Action	Standards and Elements	Progress to date
MANUAL			
1.1	Audit Manual- Policy required to ensure compliance with the IIA Code of Ethics and Due Professional Care. Obtain signed annual declarations for each staff and a copies held on shared audit file. The declarations must confirm that they will work in compliance with the Code of Ethics etc and they must advise of and declare any conflicts of interest within their duties	Integrity, 1112. 1130, 1210, 1220, 2431	Actioned
1.2	Audit Manual - Include policies regarding independence and objectivity to include inter alia, hierarchy chart, audit charter, how to address conflicts, performance evaluation, training records and conflicts of interest disclosure forms (as detailed above).	Objectivity, 1130, 1220	In progress. Updated Audit Charter and Strategy approved by the Audit Panel 25/07/19
1.3	Audit Manual - Internal Audit should maintain their own policy that demonstrates how they will access information, how it will be secured, how long any documentation will be held for, where and how it be will disposed of. Also the circulation of reports and access by third parties to comply with third parties, GDPR, auditors and FOI (Freedom of Information).	Confidentiality, 1220, 2330	In progress. Updated Audit Charter and Strategy approved by the Audit Panel 25/07/19
1.4	Audit Manual - There should be a Policy document advising staff of the importance of confidentiality regarding the work they do and that they must not access information for personal interest or gain.	Confidentiality, 1220	Included in annual declaration forms. To be included in Audit Manual.
1.5	Audit Manual- Policy and procedure around testing to include: Use of CAATS (Computer Assisted Audit Techniques), and other methodologies	1220, 2310	In progress.

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1.6	Audit Manual - Procedures for all audit processes. Include procedures around pre- audit process to include original research and reviews of matrices and how evidenced and risk evaluated against - ACRES- Achievement of the organisations strategic objectives, Compliance with laws, regulations, policies, procedures and contracts, Reliability and integrity of financial and operational information, Effectiveness and efficiency of operations and programmes and Safeguarding of assets. Compile Internal audit policies and procedures relating to audit processes and ensure they have been communicated to staff or they have read and understood them	1210, 1220, 1311, 2040, 2110, 2130, 2210, 2220	In progress
REPORTING			
2.1	Reporting -The Annual year end opinion report should state that independence and objectivity of the Service have been maintained or specify where it has not been the case as per the Charter	Objectivity	Actioned
2.2	Reporting - Record and include a breakdown of the use of contingency time in progress reports to the Audit Panel	1100, 2020	Actioned
2.3	Reporting - Advise The Audit Panel and Senior Officers on the use and importance on the use of the wording "conforms with the International Standards for the Professional Practice of Internal Auditing and specifically Conforms to the Public Sector Internal Audit Standards uk"	1322, 2430	Actioned
2.4	Reporting- Report the outcomes of all assessments to Standards both self and external.		Actioned
2.5	Reporting - A reference to the Conformance with Standards and Code of Ethics should be referenced in all reports to Senior Management and The Audit Panel and on audit activity reports.	2060	Actioned
PERFORMANCE			
3.1	Performance- Personal Development Discussions (PDD's) should refer to and support professional CPD requirements	Competency, 1230	Actioned

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3.2	Performance - The competency skills list should be reviewed and updated to include PSIAS	Competency, 1230	Actioned
3.3	Performance -Link to records of all training courses and development training received by staff.	Competency, 1210	Actioned
3.4	Performance - Feedback on the performance of the Shared Internal Audit Manager should be sought from the direct key recipients of the Service such as the Lead Member of the Audit Panel, Chief Executive and s151 Officer to contribute to their Annual Performance Appraisal.	1100	Currently Absent
3.5	Performance - Compliance with Standards should form part of the PDD (Performance Development Discussions)	1220	Actioned
3.6	Performance - Consider the use of other management KPI's e.g. length of time between audit engagement and final report to review timeliness of reporting, number of drafts of same report	1311, 2240, 2420	Management Key Performance Indicators (KPI's) drafted
CHARTER AND STRATEGY			
4.1	Charter- The Audit Charter should be reviewed and updated bearing in mind the Model Internal Audit Activity Charter published by the CIIA . It should also include the nature of any assurances and define any specific non audit work such as contribution to the AGS, risk management activity and collation of work for the Audit Panel and make the requirement for the Annual Audit Opinion a KEY responsibility of the	1000, 2020, 2110, 2120, 2440	Actioned. Presented to Audit Panel 25/07/19
4.2	Charter and Strategy - All references to external Audit relying on the work of Internal audit should be removed.	1100	Actioned
4.3	Strategy- The risk assessment methodology and scoring mechanism should be included in the Strategy showing how the audit plan is to be determined and level of coverage needed to achieve the Annual Audit Opinion as required by the Charter	1110, 2000, 2020	Actioned in strategy, yet to be put in practice
4.4	Charter- The Charter should detail how Conflict of Interest Disclosures will be managed.	1120, 1130	Actioned. Presented to Audit Panel 25/07/19

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4.5	Strategy - Include a training Strategy in the Audit Strategy (or as a separate document)	1210	Actioned. Presented to Audit Panel 25/07/19
4.6	Charter-Include the basis for the Annual Audit Opinion and detail the process for the review of the Audit Plan and any changes made due to changes in priority, risk, resources.	2010, 2450	Actioned. Presented to Audit Panel 25/07/19
4.7	Charter - The reference to the Head of Finance re Audit Planning in the Charter needs to be amended to Shared Internal Audit Manager	2010	Actioned. Presented to Audit Panel 25/07/19
4.8	The Strategy should include an allowance for follow-up reviews	2500	Actioned. Presented to Audit Panel 25/07/19
UNIVERSE AND PLAN			
5.1	Universe and Plan- Review the Universe to ensure all major areas of activity and risk are up to date and Include the reviews of ethics related objectives, programmes and activities (such as code of conduct, counter fraud and corruption etc), levels of authority and responsibility (delegations), performance audits and corporate governance framework in the Audit Plan and Universe	1100, 2010, 2110	Review and methodology complete. To be actioned for 2020/21 Audit Plan
5.2	Universe and Plan- Continue to develop assurance from other providers to assist with Planning.	2050	To be actioned as part of audit planning for 2020/21
QUALITY ASSURANCE IMPROVEMENT PROGRAMME (QAIP)			
6.1	QAIP- Review supervision and include supervisory checks ensure compliance with the Standards, include Principal Auditor seeing all final reports	1220, 2340, 2440	Actioned
6.2	QAIP- Assessments both Internal and External should be performed as part of continuous improvement	1220	To be undertaken annually (next due March 2020)
6.3	QAIP- Reviewing and documenting the Audit process should be performed as part of QAIP	1220	In development

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6.4	QAIP-Develop a QAIP to establish an embedded culture of continuous improvement- refer to CIIA guide "The Quality Assurance and Improvement Programmes Guide 5/3/19 and report to senior Management and the Audit Panel	1300, 1320	In development
6.5	Review level of audit coverage of activity required by benchmarking with other local authorities.	2450	In development