

PERTH AND KINROSS COUNCIL
Audit Committee – 27 March 2013
THE INTERNAL AUDIT PLAN 2013/14
Report by the Chief Internal Auditor

ABSTRACT

This report presents the proposed Internal Audit Plan for the financial year 2013/14.

1. RECOMMENDATION

- 1.1 The Audit Committee is asked to consider and approve the proposed internal Audit Plan for 2013/14.

2. BACKGROUND

- 2.1 CIPFA's 'Code of Practice for Internal Audit in Local Government in the United Kingdom' ('the Code') requires that "the Head of Internal Audit should prepare a risk-based internal audit plan ...". The Code also requires that "[the] audit plan should be fixed for a period of no longer than one year". The Public Sector Internal Audit Standards (PSIAS) also require the production of risk based plans to determine the priorities of the internal audit activity, based on a documented risk assessment which is undertaken at least annually.
- 2.2 This plan presented to the Audit Committee is for the period April 2013 to March 2014 and therefore covers a period of 12 months.
- 2.3 In order to fulfil the requirements of the Code, and to ensure compliance with the PSIAS requirement of undertaking an annual risk assessment, a detailed exercise reviewing the 'audit universe' (which includes all significant activities and systems that contribute to the achievement of the Council's objectives and is attached at Appendix C) has been undertaken. This includes a review of relevant Service documentation, the analysis of risks and reports submitted to Council and Committees. The Local Area Network of external scrutiny bodies undertakes a strategic risk assessment for Perth & Kinross Council and produces an Assurance and Improvement Plan, which is the assessment of the level of external scrutiny required for each council, and this has been examined. Consultation has also taken place with Services regarding Internal Audit coverage for 2013/14.
- 2.4 Each potential audit subject contained in the audit universe is assigned a priority rating which derives from an assessment of four factors:
- (i) the significance of the activity or system in relation to the Council's objectives;
 - (ii) the likely consequences of a failure of control, whether in financial, legal, health & safety, reputational or other ways;

- (iii) the degree of change in the activity or system, whether legislative, managerial or in other ways;
- (iv) the assessed strength of the internal controls in place, where known, and reported performance.

2.5 The priority ratings are assigned independently by internal audit; however, the process benefits greatly from the information provided by Services during consultation.

2.6 Each audit assignment has been assessed with regard to the indicative scope and has been assigned an appropriate level of resource in order to deliver the assignment.

3. PROPOSALS

3.1 Appendix A shows a summary of the forecast internal audit resources for 2013/14. The 'Days available for allocation to PKC Internal Audit Plan' equates to 20 audit assignments. This represents the 'core' audit plan for the Council and is in addition to other direct audit work, including:

- (i) the certification of Council grant claims;
- (ii) supporting Audit Scotland in the National Fraud Initiative;
- (iii) other ad-hoc audit assignments.

3.2 Appendix B shows the assignments which are proposed to be undertaken during 2013/14. It highlights the areas to be audited, along with the indicative scope of the assignment. The number of audit days attributable to each audit has been estimated and is included here for information, along with the indicative time scales for each audit, being represented. The 2013/14 Audit Plan is summarised in the table below:

Quarter	Title	Service
1	Revenue Monitoring	Chief Executive's Service
1	Software Licenses	Education & Children's Services
1	Procurement	Housing & Community Care
1	MOT Testing	The Environment Service
1	Roads Maintenance Partnership – Inspection & Maintenance	The Environment Service
2	Non-Domestic Rates	Housing & Community Care
2	Council Tax Reduction Scheme	Housing & Community Care
2	Youth Justice	Education & Children's Services
2	Contract Monitoring: school catering and cleaning	Education & Children's Services
2	Works Awarded after Value For Money assessment	The Environment Service

Quarter	Title	Service
2	Financial Management of All-Through Schools	Education & Children's Services
3	Voids Management	Housing & Community Care
3	Payroll	Chief Executive's Service
3	Scottish Welfare Fund	Housing & Community Care
3	Planned advice consultancy - Spend Profiling	Housing & Community Care
3	Internal Control Review	Housing & Community Care
3	Financial Management of Libraries	Education & Children's Services
4	Fleet Management	The Environment Service
4	Capital Programme	All Services
Through-out year	Planned advice consultancy – Welfare Reform	Corporate

- 3.3 Appendix B also highlights a division between traditional Internal Audit assignments and consultancy-style audits, which may take place over a longer period. The consultancy assignments are a more pro-active audit approach and aim to support management in building in controls at the outset for the implementation of systems, processes and procedures and also for the provision of specific assurance for particular projects or issues at the request of management.
- 3.4 The listing of audit subjects by Council Service and Division in Appendix B is intended only as a guide. It does not necessarily imply that sole responsibility for that activity or system rests with that Service or that the audit will be restricted to the work of that Service. In particular, many subjects of a 'corporate' nature (including most of the Council's financial systems) may require access to records across all Services.
- 3.5 It is not the purpose of this part of the planning process to specify the content of each audit in detail, but the high-level indicative scope has been captured to indicate the areas which will be subject to review. This will minimise the time taken in the detailed scoping of assignments at a future date.
- 3.6 The planned work will take place from April 2013 to March 2014, in order to contribute to the development of the Council's Annual Governance Statement for 2013/14.
- 3.7 The responsibility for implementing and maintaining the appropriate controls in each area rests with management. The purpose of the internal audit process is to provide independent assurance to the Council that these controls are appropriate and effective. The aim of the prioritisation process described above is to ensure that this assurance is directed to those areas where it is of most benefit in supporting the delivery of the Council's objectives.

- 3.8 Achievement of the audit plan is based on the assumption of the availability of the anticipated financial and staffing resources. It is also reliant upon the co-operation of Council Services throughout the process, from agreeing the scope of the audit to the implementation of agreed actions. Appendix D details a protocol with Services for the delivery of the Internal Audit Service.

4. CONSULTATION

- 4.1 There has been consultation with all Services and with the Council's external auditors during the audit planning process.

5. RESOURCE IMPLICATIONS

- 5.1 There are no resource implications arising from this report.

6. COUNCIL CORPORATE PLAN OBJECTIVES 2009-2012

- 6.1 The Council's Corporate Plan 2009-2012 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:-

- (i) A Safe, Secure and Welcoming Environment
- (ii) Healthy, Caring Communities
- (iii) A Prosperous, Sustainable and Inclusive Economy
- (iv) Educated, Responsible and Informed Citizens
- (v) Confident, Active and Inclusive Communities

- 6.2 The Chief Executive's Service provides a range of functions for internal and front-line customers alike. These functions support the work of the whole Council by assisting them in the delivery of the Council's Corporate Objectives. As a consequence, this report does not specifically relate to one of the objectives, but assists with the delivery of all five.

7. EQUALITIES ASSESSMENT

- 7.1 The Council's Corporate Equalities Assessment Framework requires an assessment of functions, policies, procedures or strategies in relation to race, gender and disability and other relevant equality categories. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new policies to ensure there is no adverse impact on any community group or employees.
- 7.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Assessment Framework and the determination was made that the items summarised in this report do not require further assessment as they do not have an impact on people's wellbeing.

8. STRATEGIC ENVIRONMENTAL ASSESSMENT

- 8.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS).
- 8.2 However, no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

9. CONCLUSION

- 9.1 This report presents the proposed internal audit plan for 2013/14.

J CLARK
Chief Internal Auditor

Note: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

Contact Officer: Jackie Clark, Ext. No. 75524, JClark@pkc.gov.uk
Address of Service: Council Building, 2 High Street, PERTH, PH1 5PH
Date: March 2013

If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting *Jackie Clark*



Council Text Phone Number 01738 442573

Appendix A – Internal Audit Resources (Audit Days) for April 2013 to March 2014

Description	2012/13
Days Attendance at Work (Net of Public Holidays, Annual Leave and Sickness Allowance)	978
Less: Time on Other Non-Audit Activity (Delayed Office Opening, Team and Other Meetings, Training, Personnel and Other Management Tasks, Trade Union activities)	(111)
Days Available	867
Less: Time on 'Core' Audit Work (Follow-Up, Strategic Audit Planning, Supporting the Audit Committee, Development of Policies & Procedures, Audit Systems Development, Supervision and Quality Assurance)	(193)
Completion of 2012/13 Internal Audit Plan	(40)
Grant certification works	(20)
Supporting the National Fraud Initiative	(40)
Allocation of resources for unplanned work, ad-hoc advisory work and investigations	(100)
Days available for allocation to PKC Internal Audit Plan 2013/14	474
Equivalent Assignments	20

Appendix B – The Audit Universe, Priority Ratings and the Plan for April 2013 to March 2014

Internal Audit Assignments:

Service	Division	Title	Indicative Scope	Internal Audit Priority rating	Total days	Quarter
Corporate	Various	Capital Programme	To review the arrangements in place for the delivery of the current Capital Programme.	High	30	4
Chief Executive's Service	Finance Division	Payroll	To ensure that controls are in place with regard to the robustness of procedures over starters and leavers.	High	25	3
Chief Executive's Service	Finance Division	Revenue Monitoring	To review procedures in place for monitoring of the revenue budget and subsequent reporting	High	25	1
Education & Children's Services	Children's Services	Youth Justice Service	To provide assurance on the process of undertaking risk assessments	High	25	2
Education & Children's Services	Education Services	Financial Management of All-through Schools	To review arrangements in place for the financial administration of all-through schools	Medium	30	3
Education & Children Services		Contract Monitoring	To review the arrangements in place for monitoring school catering and cleaning contracts	Medium	30	2
Education & Children's Services	Cultural & community Services	Libraries	To review the adequacy of financial arrangements within libraries.	Medium	25	3
Education & Children's Services	Corporate Business Change & IT	Software Licenses	To provide assurance that applications used by the Council are appropriately licensed.	Medium	25	1

Housing & Community Care	Finance & Support Services	Council Tax Reduction Scheme	To review arrangements in place for the implementation and administration of the Scheme	High	25	2
Housing & Community Care	Finance & Support Services	Non-Domestic Rates	To ensure that key controls are in place within the Non-domestic Rates system.	Medium	25	2
Housing & Community Care	Finance & Support Services	Scottish Welfare Fund	To review arrangements for the council's management of allocations under the Scottish Welfare Fund	High	25	3
Housing & Community Care	Finance & Support Services	Internal Control review	To review work undertaken by Internal Control Officers with a view to placing reliance on work	Medium	10	3
Housing & Community Care	Finance & Support Services	Procurement	To ensure the adequacy of arrangements for the use of the "quick quote" system	Medium	25	1
Housing & Community Care	Housing & Strategic Commissioning	Voids management	To review arrangements for managing empty council houses.	Medium	20	3
The Environment Service	Environmental & Consumer Services	Fleet Management / Operators License	To review the adequacy of arrangements for the management of fleet throughout the Council and its impact on the Operators License	High	30	4
The Environment Service	Environmental & Consumer Services	MOT testing	To review arrangements in place for MOT testing	Medium	25	1
The Environment Service	Technical Services	Works Awarded after VFM assessment	To review arrangements in place for awarding works to Tayside contracts after a Value For Money assessment to ensure they provide value for money to the Council.	Medium	25	2

The Environment Service	Performance & Resources	Roads management Partnership – Inspection & Maintenance	To provide assurance on the arrangements in place for inspection and maintenance of roads under the Council's jurisdiction.	Medium	25	1
Planned advice / consultancy						
Corporate		Welfare Reform	To provide assurance and advice during the process of planning and introduction of Universal Credits within the Council	High	10	Ongoing
Housing & Community Care	Procurement	Spend Profiling	To provide consultancy service to Procurement regarding mapping contract / non-contract expenditure	Medium	14	From quarter 3
Total days					474	

Appendix C – The Audit Universe for the 2013/14 Plan

Key: 4 and 5 High Priority: Anticipated coverage within a 3 to 5 year cycle
 3 Medium Priority: Anticipated coverage dependent on available resources
 1 and 2 Low Priority: Not anticipated to cover, however will continue to be included within Audit Universe to ensure that risks remain evaluated.

Service / Subject		Priority	2013/14 Plan?	Previous 3 year coverage
Corporate Issues				
	Capital Programme	5	Yes	
	Welfare Reform	5	Yes	
	Integration of Adult Health & Social Care	5		
	Following the Public Pound	5		Yes
	Strategic Planning (including SOA, CPP)	5		
	Contracting & Tendering	4		Yes
	Asset Management (Strategy)	4		
	Tayside Contracts	4		
	Project Management Standards & Practice	4		
	Corporate Risk Management	3		
	Gifts & Hospitality (Employees)	3		Yes
	Codes of conduct (Employees and Elected Members)	3		
	Customer First	3		

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Business Continuity	3		Yes
		Asset Management (Stocks & Inventories)	2		
		Employability / Modern Apprentices	2		
Chief Executive's Service					
	Democratic Services				
		Payments to Elected Members	4		Yes
		Governance Arrangements	3		
		Register of Hospitality / Interests (Elected Members)	3		Yes
		Community Councils	3		
		Registration of Births, Deaths, Marriages & Civil Partnerships	3		
		Development & Support for Elected Members	3		
		Committee Services / Supporting Decision-Making	3		
		External and Internal Communications	3		
		Civic Hospitality	3		
		Elections Team	2		
		Design Team	2		
	Finance				
		Payroll (Employees)	5	Yes	Yes

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Capital Budgeting / Monitoring	5		Yes
		Bank Accounts	4		
		Revenue Budgeting / Monitoring	4	Yes	
		Reserves Strategy	4		
		Value Added Tax	4		
		Payroll & Expenses (Elected Members)	4		Yes
		Purchases / Creditors Ledger	4		Yes
		Income / Debtors Ledger	4		Yes
		Credit Cards	4		Yes
		Debt Recovery & Write-off	3		
		Treasury Management	3		
		BACS	3		
		Non-payroll travel arrangements	3		Yes
		General Ledger	3		
		Expenses (Employees)	3		
		Insurance	3		Yes
		Cash & Banking	3		Yes
		Sundry Payments / Petty Cash	3		
		Charities / Common Good Funds	2		

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Controlled Stationery	2		
		Renewal & Repair fund	2		
	Human Resources				
		Protection of Vulnerable Groups	4		Yes
		Workforce Management & Planning	4		
		Equalities (Employment)	3		
		Maximising Attendance / Sickness Management	3		Yes
		HR Strategy / Policy	3		
		Early / Flexible Retirement	3		
		Employee Review & Development	3		
		Flexible Working	3		
		Occupational Health	3		
		Job Evaluation & design	2		
		Redeployment	2		
	Legal Services				
		Information Security	5		Yes
		Data Protection	5		
		Licensing / Licensing Board	4		Yes
		Records Management	4		Yes

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Human Rights / Covert Surveillance	3		
		Freedom Of Information	3		
		Internet Policies	3		
		Corporate Complaints	3		
		New Legislation / Legal Compliance	3		
		Corporate Governance Support	2		
Education & Children's Services					
	Children's Services				
		Service For Looked-After Children	5		
		Youth Justice	5	Yes	
		Child Protection	4		Yes
		Services To Children (Disability / Health)	4		
		Community Support For Identified Families	4		
		Change Fund	3		Yes
		Children's Hearings	3		
		Fostered / Adopted Children	3		
		Throughcare	3		
		Permanence Planning	3		

Service / Subject		Priority	2013/14 Plan?	Previous 3 year coverage
	Young Carers Strategy	3		
	Cultural & Community Services			
	Live Active Leisure Service Level Agreement	4		Yes
	Horsecross Service Level Agreement	4		
	Libraries	4	Yes	
	Arts & Heritage Services	3		
	Sports Development	2		
	Community Learning & Development	2		
	Community Capacity Team	2		
	Youth Services Team	2		
	Instrumental Tuition Service	2		
	Education Services			
	Investment In Learning	5		Yes
	Raising Attainment & Achievement	4		
	Implementation of Curriculum For Excellence	4		
	Financial Management of Schools (Primary Schools)	4		Yes
	Financial Management of Schools (Secondary Schools)	4		Yes
	Financial Management of Schools (All-through Schools)	4	Yes	
	Early Years services	4		

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		School Outings	4		
		School Funds administration	4		Yes
		School Estates Strategy	4		
		Financial Management of Schools (Nursery)	3		
		Financial Management of Schools (Special Schools)	3		
		Contract Monitoring - School Catering	3	Yes	
		Contract Monitoring - School Cleaning	3	Yes	
		Supply Teachers	3		
		School Transport (Entitlement)	3		Yes
		Probationer Teachers	3		
		Wraparound Care / Out of School Clubs	3		
		Breakfast clubs	3		
		Nursery Partner-Providers	3		
		School Lets	3		Yes
		Education Psychology Service	2		
		School Crossing Patrols	2		
		Class Sizes	2		
		Parent Councils	2		
		Education Maintenance Allowances	2		

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Community Link Workers	2		
		Playstart	2		
		School rolls / Class sizes	2		
		Clothing Grants	2		
	Corporate IT				
		Network Security	4		
		ICT Strategy	4		
		ICT Purchasing	4		
		Applications Software Development & Maintenance	4		
		Hardware Asset Management	4		Yes
		Strategic Planning	3		
		Equalities (Access To Services)	3		
		Customer Engagement	3		
		Software Licensing	3	Yes	
		ICT Operations / Infrastructure Management	3		
		Telephone Communications	3		
		Customer First	2		

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
The Environment Service					
	Planning & Regeneration				
		Development Control	4		
		Building Standards	3		
		Development Planning	3		
		Economic Development	3		
		Estates Management (inc Commercial Estates)	3		
		Financial Assistance	3		Yes
		Developers Contributions	3		Yes
		Perth Harbour	2		
		City of Perth Development Strategy	2		
		Support for Businesses	2		
		Visit Scotland Partnership Agreement	1		
	Environmental & Consumer Services				
		Waste Strategy & Management	4		Yes
		Fleet Management / Operators License	4	Yes	
		Refuse Collection	3		
		Commercial Waste	3		Yes
		Grounds Maintenance	3		

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Street Cleansing	3		
		Bereavement Services	3		
		MOT Testing	3	Yes	
		Environmental Health	3		
		Food Safety	3		
		Health & Safety Enforcement (External)	3		
		Parks & Open Spaces	3		
		Fuel Management	2		
		Recycling Centres	2		
		Stores	2		
		Trading Standards	2		
		Public Conveniences	2		
		Animal Health & Welfare	2		
		Private Water Supplies	2		
		Housing Grants	1		
		Placemaking	1		
		Caravan Park	1		
	Performance & Resources				
		Corporate Health, Safety & Wellbeing (Internal)	4		

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Business Continuity	4		Yes
		Corporate Asset Management	4		
		Emergency Planning	3		
		Roads (Inspection And Maintenance)	3	Yes	
		Roads (Winter Maintenance)	3		Yes
		Roads (Accidents / Safety)	3		
		Roads (Lighting)	3		
		Local Bus Support Service	3		
		School Transport (Contract)	3		
		Community Care Transport (Contract)	2		
		Roads – Traffic Engineering	2		
		Roads – Urban Traffic Control	2		
		Adoption of Public Roads	2		
		Parking Services	2		
		Blue Badges	2		
	Technical Services				
		Flood Mitigation	4		
		Corporate Premises Management	4		
		Works Awarded After VFM Assessment	3	Yes	

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Carbon Reduction Commitment	3		Yes
		Energy Management	3		
		Planned / Unplanned Maintenance	3		
		Rechargeable Works	2		
		Water Management	2		
		Building Cleaning	2		
		Sites for Travelling People	2		
		Architectural & Design Services	1		
Housing & Community Care					
	Community Care				
		Mental Health	5		Yes
		Adult Protection & Support	5		Yes
		Criminal Justice Services	5		
		Home Care Service (Elderly)	4		
		Residential Care Services (Elderly)	4		
		Re-ablement	4		
		Change Fund	3		
		Comfort Fund administration	3		Yes

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Self Directed Support	3		
		Day Care Centres (Elderly)	3		
		Services for People With Addictions	3		
		Services for People With Learning Disabilities	3		
		Services for People With Mental Health Needs	3		
		Services for People With Physical/Sensory Impairment	3		
		Employability	3		
		Welfare Rights	3		
		Occupational Therapy	2		
		Community Alarm Service	2		
		Client Transport	2		
	Housing & Strategic Commissioning				
		Housing Quality Standard	5		
		Housing Rents	5		Yes
		Commissioned Services for Housing	5		Yes
		Commissioned Services for Community Care	5		
		New Build Programme	5		Yes
		Homelessness	4		
		Housing Allocations	4		Yes

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Affordable Housing	4		
		Housing Repairs	4		
		Housing Voids Management	3	Yes	
		Owner Occupier's Accommodation Related costs	3		Yes
		Homeless hostels	3		
		Private Sector Housing Grants	3		
		Sheltered Housing	3		
		Housing with Care	3		
		Community Safety	3		
		Community Wardens / Anti-Social Behaviour	2		
		Housing Improvement Grants	2		
		House Sales	2		
		Finance & Support Services			
		Council Tax Reduction Scheme	5	Yes	
		Housing Benefits / Council Tax Benefits	4		Yes
		Council Tax	4		Yes
		Procurement	4	Yes	Yes
		Scottish Welfare Fund	3	Yes	

Service / Subject			Priority	2013/14 Plan?	Previous 3 year coverage
		Welfare Rights & Income Maximisation	3		
		Interim Funders	3		Yes
		Non-Domestic Rates	3	Yes	
		Internal Control Team	3	Yes	
		Customer Service Centre	3		
		Learning & Organisational Development	2		

Protocol with Services for Delivery of the Approved Internal Audit Plan

This document lays down the principles for the delivery of Internal Audit within Services to ensure the delivery of the 2013/14 Internal Audit Plan.

Approval of the Internal Audit Plan

The Internal Audit Plan 2013/14 will be submitted to Audit Committee for approval on 27 March 2013. In support of the delivery of the Internal Audit Plan on time and to budget, it is essential that Services interact appropriately with the Internal Auditors undertaking the audit assignments, from initial discussion of the original brief, through to the agreement of the Final Report and subsequently undertaking the agreed actions on time.

Key dates

For information, the following are key dates for the Internal Audit process:

5 March 2013:	2013/14 Internal Audit Plan considered by the Executive Officer Team
27 March 2013:	2013/14 Internal Audit Plan considered by Audit Committee
31 May 2013:	All Heads of Service will have been consulted on a more detailed scope of assignments in areas on which they lead.
30 April 2014:	All audit reports for 2013/14 to have been signed off to enable the Annual Report and Chief Internal Auditor's Opinion to be drawn.

Requirements of the Audit Process

In order to ensure that the process is managed appropriately:

1. Prior to the submission of the Audit Plan to Audit Committee, Heads of Service and Executive Directors will have given consideration to the planned timing of the audit assignment and may be able to influence which quarter the assignments are planned to commence so as to ensure that Service provision can be maximised, relevant staff can be released to assist in the process and the process may add the most value in terms.
2. Heads of Service will be consulted on the drafting of the Assignment Briefs prior to the end of May 2013.
3. The Assignment Brief will be issued to Executive Directors, Deputies, relevant Heads of Service and Service Management as appropriate immediately prior to the commencement of each Audit.
4. Once the audit has commenced, it is the responsibility of the Head of Service to ensure that staff are made available to facilitate the audit process. The Internal Auditor will provide an indication of the likely timeframe for testing and for the draft report to Senior Managers once

the assignment brief has been issued. The Assignment Brief will detail the anticipated meeting of the Audit Committee which will consider the Final Report.

5. Once fieldwork has been completed, a draft report will be issued to managers in the area being audited, along with other relevant parties, for confirming factual accuracy and for discussion of any potential actions arising from the findings detailed in the report.
6. Once the report has been through a final quality assurance review in Internal Audit, the Draft Report will be issued to Managers and Heads of Service in order to develop an action plan to mitigate the issues raised by the audit. In some cases, Service Managers may have provided responses and where this is the case, these actions will be included within the report. It is management's responsibility to ensure that the action plans are achievable within the timeframes stated within the report.
7. It is imperative that reports are dealt with promptly to ensure that the weaknesses highlighted in the report can be identified timeously for appropriate remedial management action. As such, responses from Heads of Service and Service Managers are to be provided to the relevant Internal Auditor within 10 working days of the issue of the draft report.
8. Once the response has been received and clarifications have been sought to resolve any issues raised, the draft Final Report will be issued to Executive Directors for their information prior to issuing the report as a Final Report.

Undertaking Agreed Actions

In order for Internal Audit to be effective, to deliver a Service which adds value to the organisation and feeds into the Annual Governance Statement, it is necessary for Senior Managers and Chief Officers to engage positively with the entirety of the internal audit process. This process includes addressing the agreed actions arising from the audit report completely and on time.

Internal Audit undertake a systematic review of all actions agreed in internal audit reports to ensure that action plans are completed on time and in full. This 'follow up' process takes place in line with the Audit Committee timetable and to support the work of the Audit Committee. The Audit Committee is informed of those actions which have not been completed and are provided with an update on the progress of the outstanding actions.

Internal Auditors will contact nominated officers within the Services to ascertain the progress of actions which are due to have been completed. It is the responsibility of Services to respond promptly to such requests for information and to provide the previously agreed evidence as part of the response. Where the actions have not been completed as agreed, the Service must provide an explanation for the delay, a plan to implement the action as soon as possible, and a revised date for completion. On occasions, the agreed action may no longer be required or appropriate. Where this is the case, a detailed explanation of the reasons must be provided to Internal Audit.

It is Internal Audit's responsibility to arrive at a view, based on the evidence provided, as to whether the action has been fully completed and the control issues raised have been appropriately dealt with. Any issues will be discussed with the Service prior to an opinion being formed.

Feedback

Any feedback on the audit process is welcome. Please contact Jackie Clark, Chief Internal Auditor, on 01738 475524 or by email at JClark@pkc.gov.uk

