

Quality Assurance and Improvement Plan – 2016/17

Appendix B

Actions from assessment December 2016 and External Assessment Mar 2017 – questions not scored as conforming

Ref	Conformance with the Standard	Compliance	Planned Actions	Person Responsible	Timescale	Comment
3.4	Does the QAIP include both internal and external assessments?	Partial	Continue internal assessments, external assessment to be completed by 2017/18.	LB	Ongoing	Ongoing. Internal assessments completed annually, again in March 2016. Agreed with Chair of AC and COG for external assessment due to take place 27 th March 2017.
4.1	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	Non compliance	Assurance mapping to be completed in 2015.	LB	Mar 18	Not achieved. Due to a change in Management this will take place by March 2018.
4.2	Has the internal audit activity evaluated the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities?	Partial	Review as part of CGWG – review of Code of Corporate Governance.	LB	Ongoing	Ongoing. Audit work is based on the Council's objectives and priorities and covers some of the areas in the Code of Corporate Governance such as organisational performance management and communication of risk and control information.
4.2	Has the internal audit activity evaluated the potential for fraud and also how the	Partial	Improve awareness of fraud. Collect data on fraud risk.	LB	Ongoing	Ongoing. Anti-Fraud and Corruption Strategy and Fraud Response

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	organisation itself manages fraud risk?					Plan reviewed, updated and launched on Infonet. Separate work programme on fraud related question used for each audit.
1220.A2	Where appropriate audit engagements are supported by appropriate tools, including reporting within information systems, interrogation techniques and other CAATT's	Partial	Further develop the level of expertise and use of CAATT's within Internal Audit.	LB	Mar 18	Two additional members of staff identified for training in the use of CAATT's (IDEA).
2110.A1	Internal Audit reviews the activities in place that manage and monitor the effective implementation of the organisation's ethics and values	Partial	Develop a standard template for use on every review to assess the organisation's implementation of ethics and values	LB	Mar 18	The template (when developed) will be attached within the audit management system MKInsight.
1000	The internal audit charter does not define the term 'senior management', for the purposes of the internal audit activity.	Partial	The Service could insert a definition in the Independence & Authority (para 6, point 5) of the IA Charter, or revise the Charter by inserting a catch-all statement such as "For the purposes of Internal Audit activity the Audit Committee is equivalent to the	LB	Mar 18	The Charter will be amended to define the term of the Senior Management.

			'Board' and the Chief Officers' Team constitutes 'Senior			
1100	The regular rotation of work between officers has not been documented in the Service's Charter.	Suggestion	The Service could insert an additional statement under the 'Independence and Authority' section of the Charter confirming regular rotation of work is usually adhered to in order to further enhance independence and objectivity.	LB	Ongoing	Whilst the Audit Charter will be updated to address this point, it should be acknowledged that ensuring independence and objectivity is a priority within the team however in some instances a conscious decision has been made to use the same auditor for key system reviews to develop expertise and specialism within the team as this adds value to the audit and reduces resources.
1100	The Service does not currently stipulate that "advice / recommendations are provided without prejudice to the right of Internal Audit to review and make further recommendations at a later date" after providing a consultation service in an area that may be later audited.	Suggestion	The Service could consider using the suggested statement in reports to clarify to clients that request a consultation service that the assurance provided is not absolute and it does not exempt them from a future audit in the same area of work.	LB	Ongoing	This statement will be included in any future consultancy report.
1100	The PSIAS specifically require	Partial	The issue has been	LB	Ongoing	The current procedure has

	<p>the Chief Executive to undertake, countersign, contribute feedback to or review the Audit Manager's performance appraisal (PSIAS 1110 – S/A point 6) and it is required that feedback is also sought upon the appraisal from the Chair of the Audit Committee (PSIAS 1110 – S/A point 7).</p>		<p>discussed with the Interim Internal Audit Manager and it is acknowledged that due to the governance structure of the Authority the current procedure has been deemed sufficient. However, this may be re-addressed to achieve full conformance with the PSIAS in future</p>			<p>been deemed sufficient given the Chief Officer Governance and the Chief Executive attend each Audit Committee meeting. Direct contact is also in place between the Interim Internal Audit Manager with the Chief Officer, Governance, the Chief Executive and the Chair and Vice Chair of the Audit Committee. Any performance issues would be addressed immediately rather than wait for a formal appraisal. However, this point will be picked up for future appraisals.</p> <p>In relation to the appointment of the Interim Internal Audit Manager, the Chair of the Audit Committee, Chief Executive, and Chief Officer, Governance were involved</p>
1300	<p>Quality Assurance and Improvement Programme The annual internal self-assessment and resulting improvement plan are currently reported to the Audit Committee together, although the PSIAS state that the results of the QAIP and progress against any improvement plans must be reported in the "annual</p>	Suggestion	<p>Although it is acknowledged that it may cause duplication of work, the Section should consider including the self-assessment improvement plan in its Annual Report along with the other performance targets</p>	LB	Jul 18	<p>Whilst I feel this is duplication since the improvement plan has already been reported to the AC, reference will be made in the Annual plan.</p>

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	report”.		and measures that are currently in place to monitor Internal Audit’s activities to give a full picture of its QAIP.			
2100	It is acknowledged that audit reviews have been based on related work areas, but a specific audit of ethics has not been undertaken by the Service.	Partial	The Service needs to undertake a review to evaluate the design, implementation and effectiveness of the Council’s ethics related objectives, programs & activities.	LB	Mar 18	This was identified within the Internal Assessment and included within the QAIP Improvement plan.
2100	ICT projects are included in the audit plan, which, together with other ICT assurances, support the organisation’s strategies and objectives. However, this is not currently noted in the Annual Report.	Suggestion	To support the annual opinion further, the Section could consider noting the assurance gained from the ICT audit work undertaken during the year in the ‘Governance’ section of the Annual Report.	LB	Mar 18	Reference to external assurance will be made in the Annual Report
2300	The Service has its own documentation retention policy		The Section could consider inserting	LB	Jul 18	The document retention policy will be referenced to and

	which is currently a stand-alone document.		the audit retention policy in full in the Audit Manual which is the document that ensures that all internal audit staff are adequately informed on the Service's methodology, policies and procedures			included as an appendix within the Audit Manual.
2400	<p>Communicating Results</p> <p>The Service cited a benefit of allowing one of the 'timing' performance indicators to run over the set target.</p>	Suggestion	The Service should consider reviewing the performance indicator to ensure it is meaningful	LB	Jun 17	This has already been highlighted at the last Audit Committee as an action and included within the Audit Committee Action sheet to bring back to Committee in June 2017.