

Appendix to Report: Table Setting Out Progress in Achieving Action Plan

Standard	Level of Conformance	Findings	Recommendations and Suggestions	Rec no	Original Timescale for Implementing Recommendations	Progress
Mission	Non-conforming	There is no recognition of the mission in the Charter or other audit documents.	Quote the mission and/or demonstrate how it is delivered in the Charter	R1	Immediate – in time for new Plan and Charter (March 2021)	The Charter was immediately updated to reflect this. Finance and Audit Scrutiny Committee has approved this updated version of the Internal Audit Charter.
Core principles of internal audit	Partially conforms	The team generally conforms to the majority of the core principles of internal audit but the principles are not recognised in any of the key documents (especially the Charter and the Audit Manual) and more needs to be done to deliver to them. The recommendations made elsewhere will support this.	Highlight the Core Principles in the Charter and other relevant documents, identifying how the audit function delivers against them See also R5, R7, R8, R9, R10, R11	R2	Charter: Immediate – in time for new Charter (March 2021) Manual: By Sept 2021	The Charter and the Internal Audit Manual have been updated accordingly.

Standard	Level of Conformance	Findings	Recommendations and Suggestions	Rec no	Original Timescale for Implementing Recommendations	Progress
		<p>undertaking audits of these areas. There should be safeguards put in place to manage this.</p> <p>Independence and objectivity are otherwise well managed.</p>				<p>strengthen this.) In addition, the Audit and Risk Manager can approach any member of the senior management team directly and can, if necessary, report directly to Members comprising the Leader of the Council, the Chair of Finance and Audit Scrutiny Committee and the Finance Portfolio Holder. In addition, as required, the Audit and Risk Manager meets regularly with the Chair of Finance and Audit Scrutiny Committee on matters of internal audit business as a matter of routine, as required by the Public Sector</p>

Standard	Level of Conformance	Findings	Recommendations and Suggestions	Rec no	Original Timescale for Implementing Recommendations	Progress
						Internal Audit Standards. The 'safeguards' in place have been formally set out within the new Charter.
1200 Proficiency and due professional care	Conforms	Audits are well-planned, well-structured, well-documented and easy to follow. Shifting to a risk-centric approach, as opposed to a compliance-driven one, would increase the value provided by audit's activities to the Council.	See R8, R9, R10, R11			
1300 Quality assurance and improvement programme (QAIP)	Partially conforms	Internal audit performs and reports QAIP activities as indicated in the Standards but its failure to recognise the updates to the Standards shows some weaknesses in the approach.	Develop a robust programme of QAIP activities that cover all the Standards on a rolling basis and involve all members of the audit team in this work.	R7	By May 2021 and then ongoing.	A programme of QAIP has been set up for the next five years. As suggested, this will involve all members of the Internal audit team – tasks have already been assigned

Standard	Level of Conformance	Findings	Recommendations and Suggestions	Rec no	Original Timescale for Implementing Recommendations	Progress
						to Internal Audit team members.
Performance standards						
2000 Managing the internal audit activity	Partially conforms	Standards 2010, 2010.A1 and the LGAN Internal audit works from a rolling three-year plan which is revised each year to make any changes to reflect the current position of the Council. There is some flexibility in the plan for in-year changes (for example for the pandemic) and also contingency time for ad hoc work. The plan has a general risk reference for each audited area but does not go into details about the risk, its level, to prioritise audit work, or the links to the council's	Develop the risk focus of the annual plan to describe the risk relating to each audit more fully, show the relative priority of each audit based on a risk score and indicate the links to the council's risk registers.	R8	From 2022/23 financial year, in time for delivering Stratford's internal audit service from 1 April 2022.	The format of the plan will be amended accordingly with the review coinciding with the setting of the plan for Stratford DC when the service is taken on.
			Make the link to the council's activities, priorities and strategies clearer, both in the annual plan and in individual engagement plans.	R9	By April 2021, in time for 2021/22 financial year.	The audit brief setting out the scope & objectives for each audit has already been revised to take these issues into account.

Standard	Level of Conformance	Findings	Recommendations and Suggestions	Rec no	Original Timescale for Implementing Recommendations	Progress
		<p>risk registers. It also cross refers to the council's strategic plans but these plans are not obviously used as a driver for the audit.</p>				
		<p>Standard 2030 The audit plan should set out how internal audit's resource requirements have been assessed.</p>	<p>See R4</p>		<p>From 2022/23 financial year, in time for delivering Stratford's internal audit service from 1 April 2022.</p>	<p>See response to R4.</p>
		<p>Standard 2050 The annual audit plan does not set out where audit works with other assurance providers (for example, IIP assessors, cyber security reviews, external audit, etc) to reduce duplication</p>	<p>Indicate other sources of assurance in the audit plan.</p>	<p>S1</p>	<p>From 2022/23 financial year, in time for delivering Stratford's internal audit service from 1 April 2022.</p>	<p>This will be done for the next Audit Plan in conjunction with the rest of the team and after 'surveying' heads of service.</p>

Standard	Level of Conformance	Findings	Recommendations and Suggestions	Rec no	Original Timescale for Implementing Recommendations	Progress
<p>2100</p> <p>Nature of work</p>	<p>Conforms</p>	<p>Internal audit's work covers the areas required by the PSIAS and LGAN. It could be improved by increasing the links to the Council's priorities and risks, so demonstrating the contribution that internal audit makes to delivery for the Council and auditees. In particular, it should ensure that it audits against any identified fraud risks (standards 1210.A2 and 2120.A2).</p>	<p>Include an examination of the ways in which fraud risks are managed in relevant audits</p> <p>See also R8, R9 and R11</p>	<p>R10</p>		<p>Where fraud risks are identified (and are recorded on the audit brief), the scope of the work and the testing programme will be set accordingly.</p>
<p>2200</p> <p>Engagement planning</p>	<p>Partially conforms</p>	<p>Standards 2201, 2210.A1 and 2210.A2</p> <p>Engagement planning documents all include a risk appraisal, but that appraisal could be extended to consider risk more broadly (it is under set headings) and the risks identified are</p>	<p>Strengthen risk planning for audit engagements, to address the risks identified in the annual plan and to think broadly about all risks relevant to the audited area. Ensure the audit is</p>	<p>R11</p>	<p>From 2022/23 financial year, in time for delivering Stratford's internal audit service from 1 April 2022.</p>	<p>The format of relevant documents (i.e. the audit brief, programme and report) have been amended to ensure that risk becomes the focus of the work.</p>

Standard	Level of Conformance	Findings	Recommendations and Suggestions	Rec no	Original Timescale for Implementing Recommendations	Progress
						will be amended so that this can be recorded.
2300 Performing the engagement	Conforms	The review showed that audits are well-performed and clearly documented. It was straightforward to follow audits through from planning to reporting.				
2400 Communicating the results	Conforms	Audit reports are clear and complete. They report all areas examined and, although long, the level of detail is valued by auditees and other readers.	Consider ways to make audit reports punchier (bullet points and similar) and shorter (putting details about the audited area in an appendix).	S2		This has been considered but auditees, managers and, perhaps most importantly, Members. like the format of the current Internal Audit reporting style and format.
2500 Monitoring progress	Partially conforms	Audits are formally followed up when they are next reviewed as part of the audit cycle and they are informally followed up on their due dates. This could mean a delay of up to three	A formal and timely follow-up process should be implemented and set out in the audit manual. As a minimum, high priority/limited	R14	By April 2021, effective from 2021/22 financial year.	A process making better use of the intranet form has been drawn up. This requires the relevant officer to provide an update on the recommendation as soon as it has been

Standard	Level of Conformance	Findings	Recommendations and Suggestions	Rec no	Original Timescale for Implementing Recommendations	Progress
		<p>years before a high-priority recommendation is chased up and it may mean that one-off audits and pieces of consultancy are never followed up formally. The process is not described in the audit manual.</p>	<p>assurance recommendations should be formally checked for implementation at their due dates, with evidence being obtained where relevant.</p>			<p>addressed and to provide supporting evidence via completion of the intranet form.</p> <p>Reminder emails are now sent to relevant staff on a quarterly basis if they have not provided an update.</p> <p>The reporting process to F&A has also changed so that recommendations that were due to be completed in the preceding quarter are reported on as opposed to all recommendations contained within audit reports produced within a certain timeframe.</p> <p>Where recommendations have not been addressed in a timely manner, the relevant</p>

Standard	Level of Conformance	Findings	Recommendations and Suggestions	Rec no	Original Timescale for Implementing Recommendations	Progress
						<p>officer is required to provide a new date by which they aim to complete the action, and they are expected to provide an update via the intranet form once completed.</p> <p>If the recommendation has not been addressed by this revised date, they will be required to appear before F&A to explain their lack of action.</p>
<p>2600</p> <p>Communicating the acceptance of risks</p>	<p>Conforms</p>	<p>There was no evidence that risks have been left unmitigated following an audit, highlighting the priority given to audit findings.</p>				