

Recommendations to achieve more complete conformance to the Standards

1230 Continuing Professional Development	Response & action date	Progress at 10 th March 2017
<p>In a relatively inexperienced team it is particularly important to have a clear view of the competences needed and the way in which CPD operates at all levels. Only one of the two trainees has so far started professional training and it is unclear what is planned to develop the team as a whole although the steps taken to allow short term secondment to KCC are beneficial in extending experience. The CAE should plan and document her CPD activity.</p>	<p>Each member of staff has their own personal development plan, the progress of which is reviewed at performance meetings. Competency frameworks are in development however in terms of whole team development it is very limited in an organisation of this size. That said a development strategy will be produced across audit and fraud for the 2017/18 year.</p> <p>Although CPD is undertaken by the CAE it is agreed this could be more formally documented for professional purposes and this will be in place for 2017/18.</p> <p>Implementation 01/04/2017</p>	<p>Objectives for 2017/18 to be discussed in 121 sessions and at team level by end of April – training plan to support achievement of objectives to be drafted</p> <p>Competency frameworks currently being finalised and a development strategy drafted</p> <p>CPD planner completed in line with new IIA requirements from 01/04/17, i.e. requirement for evidence of 40hrs of CPE per annum</p>
2010 Planning	Response & action date	
<p>Plans provided to management and the Audit Committee should give more information about the areas not to be audited and the reasons. This would be assisted by further development of the audit universe and clearer explanation of how other forms of assurance are to be relied upon. There should also be</p>	<p>Clarity over the further development of the audit universe would be helpful.</p> <p>Clearer explanation of the other forms of assurance if/where available will be documented for the 2017/18 plan however there are very limited options in an</p>	<p>Audit universe updated but no further guidance was received</p> <p>Assurance for reliance purposes documented where possible</p>

<p>an audit strategy which provides a medium term view of the way in which internal audit will conduct its work, the range of techniques to be deployed and the style and level of audits.</p>	<p>organisation this size.</p> <p>I believe the way in which Internal Audit will conduct its work and the techniques/style/level are covered in the audit manual however a strategy to support the 2017/18 Plan will be formalised</p> <p>Implementation 01/04/2017</p>	<p>Strategy developed as part of 2017/18 Planning</p>
<p>2050 Coordination</p>	<p>Response & action date</p>	
<p>There is scope for more coordination with other assurance providers and more consideration of the role and impact of the second line of defence. This would include periodic meetings with external audit and other review and assurance functions such as risk management.</p>	<p>There isn't a risk management function per se. However Internal Audit are engaged (and were at the time of the EQA) in developing a more robust risk management strategy and approach, including training to the Audit Committee and Management Team.</p> <p>Periodic meetings with the external auditors can be set up.</p> <p>There are no other assurance providers from TMBC. (See further comments on assurance providers and second-line at 2010)</p> <p>Implementation 01/04/2017</p>	<p>Work has been undertaken to review and revise the previous Risk Management Strategy and Guidance, this was reported to the January 2017 Audit Committee and subsequently agreed.</p> <p>Audit have attended all SMTs to provide a briefing on the revised process and to facilitate development of a Strategic Risk Register (SRR). The SRR will be brought to the July Audit Committee for discussion.</p> <p>Further work is needed to identify any other options to coordinate functions with a revised implementation date of 30th June 2017.</p>

2110 Governance and 2120 Risk Management	Response & action date	
<p>The plans and the programme of audits up to the period of review have been mainly focused on risk and control. There has been little coverage of governance issues and risk management has not been reviewed since January 2015. I recommend that specific reviews of governance, ethics and risk management be carried out. I recognise that it is the intention to expand this area as set out in the 2016/7 plan.</p>	<p>Agreed, this is addressed in the 2016/17 Plan and will therefore have been undertaken by 31/03/17</p>	<p>Specific work on Governance and Risk Management (RM) was undertaken in 2016/17, including a review of the RM Strategy and Guidance and a consultancy review to support development of a revised Corporate Governance Framework in line with new CIPFA/SOLACE Guidance</p>
2210 Engagement Objectives	Response & action date	
<p>Overall the setting of engagement objectives and developing the scope of the audit is a consultative process with management with suitable levels of scrutiny by the CAE. Even so, in some cases it was unclear that the risks fully addressed the relevant issues. I recommend that the description of risks be more focused on the consequences of the risk materialising rather than a risk of non-compliance with a procedure.</p>	<p>Agreed, to be actioned with immediate effect for 16/17 audits</p>	<p>We still need to develop further in terms of clear links to risks in the work we do but have made risks explicit in engagement plans and revised our report structure to show risks relating to each recommendation made</p>
2320 Analysis and Evaluation	Response & action date	
<p>The process of evaluating the adequacy and effectiveness of risk mitigation is not well documented and could be improved by the adoption of a suitable template. An example has been provided to the team. Alternatively use of audit software like Teammate could provide a suitable way of assisting the process.</p>	<p>Agreed, to be actioned with immediate effect for 16/17 audits</p>	<p>In progress for 2016/17 and to be reviewed for lessons learnt for 2017/18. We continue to investigate the possibility of using Teammate or similar</p>

2450 Overall Opinions	Response & action date	
<p>The overall opinion in the annual internal audit report should cover governance, risk management and control resulting from an audit programme which addresses each of these areas. The plans for 2016/17 do provide a suitable basis for such an opinion.</p>	<p>Agreed, this is addressed in the 2016/17 Plan and will therefore be clearer in the 2016/17 Annual Report and opinion reported to the Audit Committee at its June/July meeting.</p> <p>Implementation by 31/07/2017 (dependent on committee date)</p>	<p>To be addressed in the Annual Report to the July meeting</p>