Internal Audit External Quality Assessment – Status of Recommendation Implementation November 2017

Action	Action Title	Action Description	Due Date	Completed / Revised Target Date	Ownership Managed By	Progress	Latest Status Update
EQA 01 (High)	Audit Planning	Undertake detailed identification of current processes within the City Corporation, key outcomes, corporate and operational risks and map this to the assurance requirements of the organisation.	Initially 28 February 2018	N/a	Head of Audit & Risk Management	In progress	Initial work on the Audit planning process for 2018/19 has started following the latest update to the Corporate Risk Register and will have regard for the Corporation's Draft Corporate Plan 2018-23. The draft Audit Plan is due to come to A&RMC on 6 March 2018 for approval.
EQA 02 (Medium)	Audit Charter update	The Audit Charter should be refreshed and communicated consistent with the new PSIAS requirements.	23 May 2017	23 May 2017	Head of Audit & Risk Management	Complete	Revised Audit Charter approved at A&RMC 23 May 2017. To be updated annually – next due date 29 May 2018.
EQA 03 (Medium)	Business Relationship Management	The HoA&RM should meet periodically with Chief Officers, management teams and other key officers such as the Head of Finance (Projects) and the Commercial Director to discuss progress and issues arising on significant projects.	Ongoing	Ongoing	Head of Audit & Risk Management/ Audit Managers	In progress	The HoA&RM has met with a number of Chief Officers to discuss ongoing key issues, although this has yet to become a programmed process. There are regular discussions with the Head of Finance (Projects), the Commercial Director and the Director of IT to discuss issues arising on significant projects. The Audit Managers have regular meetings with Departmental Management Teams and

							Audit Liaisons, and the HoA&RM is in the process of setting up an Audit Liaison arrangement with Corporate HR.
EQA 04 (Medium)	Audit Manual development	An audit manual should be developed to clearly define the requirements of a focused top-down risk-based internal audit approach to be consistently applied across the Internal Audit function.	30 September 2017	Revised target 28 February 2018	Head of Audit & Risk Management	In progress	The development of the Audit Manual has been delayed due to the implementation of the Corporation's IT Transformation Project and therefore the implementation of the latest version of the audit software, MKI10. The Audit Manual is currently being developed and will include the revised recommendations follow up process and, in time, the expected move to an automated follow up process.
EQA 05 (Medium)	MKInsight upgrade and development	Utilise the latest functionality of the MKInsight system to automate recommendation follow-up process and audit budget management.	31 July 2017	Partially implemented Revised target 31 March 2018	Head of Audit & Risk Management	In progress	As noted above, the implementation of MKI10 was tied into the IT Transformation Programme and has recently been upgraded. It is intended that the functionality of the follow up module will be trialled with several volunteer departments before full rollout. Use of the audit budget management functionality will then be tested and developed to replace the current spreadsheet process.

EQA 06 (High)	Skills gap analysis	Undertake a skills gap analysis and implement a formal training and development programme.	31 August 2017	19 May 2017 and ongoing	Head of Audit & Risk Management	Complete (and ongoing)	As part of the 2016/17 End of Year appraisal process, each individuals' skill base and knowledge was assessed and an initial training and development programme was identified. This resulted in a number of internal and external training sessions for the team, together with one to one sessions for individuals, and implementation of development roles for the Senior Auditors, such as Committee support. This process will continue to be updated and developed through the appraisal process and as and when needs are identified.
EQA 07 (High)	Performance Management	Performance issues impacting the capability and morale of the Internal Audit function and the delivery of the Internal audit plan to be managed under the PDF process, closer on-the-job supervision and training.	30 June 2017 and ongoing	19 May 2017 and ongoing	Head of Audit & Risk Management	Complete (and ongoing)	A number of internal and external training sessions have been held for the Internal Audit team to help to improve consistency, quality and delivery issues identified by Audit management and team members. There have also been one-to-one and on-the-job training sessions held with individual members of the team to address development issues. Performance issues have been identified and addressed with a good deal of success and the overall

							quality of work has improved.
EQA 08 (Medium)	Risk Management and Anti-Fraud resilience	Address the current resilience issues within the Risk Management and Counter Fraud functions; through sourcing administrative support for the Risk Advisor and Anti-Fraud Manager and to enable the Counter Fraud function to deliver proactive initiatives	31 August 2017	Partially implemented: Initial 28 April 2017 Long-term: TBC	Head of Audit & Risk Management	In progress	To address the resilience issues, an initial allocation was made to support the Risk Management and Counter Fraud functions from Internal Audit resources. In relation to Risk Management, a list of "admin" functions has been identified and discussions are underway to see if support can be sourced from the Chamberlain's Business Support Team. With regard to Counter Fraud, this area is to be reviewed following the reassignment of the current Fraud Investigator to DCCS to provide improved fraud coverage within the Department, particularly in relation to tenancy fraud, which comes into effect from 1 April 2018. Consequently, the wider Counter Fraud service provision within Internal Audit is under review and the need for support to provide greater resilience will be considered as part of this review.
EQA 09 (Low)	Knowledge Management	Formalise the process for the identification, dissemination and	31 July 2017	30 June and ongoing	Head of Audit & Risk Management	Complete (and ongoing)	Following a group discussion on how to improve identification and dissemination of knowledge

		retention of knowledge.					management, team members are now involved in sharing current relevant audit topics and emerging issues from personal research and discussion at team meetings. Including: • IT, Anti-Fraud and Risk Management updates • Feedback from London Audit Group meetings • Professional journals • CIPFA TIS online • CIPFA Audit Panel updates • Ad hoc training courses • Mazar's Horizon Scanning notifications. In addition, an arrangement has been agreed to share work programmes and best practice with Mazars to develop the understanding and coverage of audit areas.
EQA 10 (Low)	Committee Updates	Review information provision to consider the inclusion of more forward-looking updates, including key themes and current issues in	30 September 2017	31 March 2018	Head of Audit & Risk Management	In progress	The HoA&RM has been in discussion with other Heads of Internal Audit as well as CoL officers to identify and assess what information is provided to Audit Committees and how key

		progress and annual reports.					issues can be identified and disseminated to members. This work is currently in progress.