

## Bradford Council Internal Audit Peer Review Action Plan 2018-19

Ref	Assessment Recommendations	Management Actions	Lead Officer	Deadline	Actions Taken	RAG Status	Further Actions
1	<p>The Assistant Director Finance and Procurement should look at the future resource requirements for the service, ensuring the review considers:</p> <ul style="list-style-type: none"> <li>• The overall level of resources required to fulfil the statutory and professional requirements of the service</li> <li>• The extent to which the current Head of Audit's position is conflicted due to a high level of other responsibilities</li> <li>• The overall level of non-audit responsibilities performed by the audit team, including the HoIA</li> <li>• There is sufficient access to technical ICT audit resources</li> </ul>	Service resource levels, audit documentation, planning and potential conflict in responsibilities will be assessed and addressed by a review of the service during 2018.	Assistant Director Finance and Procurement (ADFP)	Dec 2018	<p>Budgetary Resources Allocated to new recruitment to increase staffing numbers by 4.0 FTE.</p> <p>An internal appointment has been made to the Assistant Audit Manager posts.</p> <p>Offers of employment have been made to four individuals (3.3 FTE) for the resultant Senior Auditor posts.</p> <p>Safeguards have been reported to Committee in April and deemed satisfactory.</p>	Amber	<p>Further consideration of IA Traineeship, temporary staffing options or further recruitment process under consideration.</p> <p>Options for ICT Audit to be considered after decision on Wakefield position confirmed.</p> <p>Wider roles and responsibilities of the entire Finance &amp; Procurement management team to be assessed following conclusion of the SD Corporate Resources recruitment process.</p>

## Appendix 1

2	<p>The Assistant Director Finance and Procurement should ensure there are sufficient safeguards in place to ensure audit independence and objectivity are not compromised by any non-audit responsibilities retained by internal audit, including in particular the HoIA.</p> <p>Safeguards should be reported to, and agreed by, the Governance and Audit Committee.</p>	<p>Building on the action in 1, we will seek to address circumstances that give rise to audit independence and objectivity being compromised, and would expect to report appropriate safeguards as part of our reporting process.</p>	ADFP	Dec 2018	<p>Safeguards reported to Governance and Audit Committee 28<sup>th</sup> June 2018 in Para 7 of report.</p>	Green	Completed
3	<p>The Assistant Director Finance and Procurement should consider removing the requirement for the HoIA to deputise for the Chief Finance Officer and amend the job description accordingly.</p>	<p>This will be removed. The HoIA post isn't the Deputy Chief Finance Officer (held by the Head of Budgeting, Management Accounting and Projects), and therefore has no statutory standing in relation to those powers.</p>	ADFP	Dec 2018	<p>A deputisation process is in place which does not include the HoIA.</p>	Green	<p>HoIA Job description to be updated as part of the management responsibility actions outlined in 1.</p>
4	<p>The HoIA should update the Declarations of Interest form to refer to the current audit Standards.</p>	<p>The Declarations of Interest Form will be updated to refer to the current Standards.</p>	Head of Internal Audit (HOIA)	March 2018	<p>Declaration of Interest form amended ready for the 2018/19 declaration updates</p>	Green	<p>New form will be used for declarations at the next required update in November 2018.</p>

## Appendix 1

5	The Assistant Director Finance and Procurement should determine the required involvement of (1) the Governance and Audit Committee in decisions about the appointment of the HoIA and (2) the Committee and/or the Chief Executive in the HoIA's performance appraisal, and obtain the agreement of the Governance and Audit Committee and Chief Executive as appropriate.	The Council's Standing Orders do not allow for formal/direct involvement of Members in the appointment of the HoIA.  The views of the Chair of the Committee and Chief Executive will be sought as part of the annual appraisal process.	ADFP	June 2018	None, as yet.	Amber	HoIA appraisal will be carried out during in the period up to September 2018, following the roll out of the new performance and appraisal management system.
6	The HoIA should ensure the wording of his 2017/18 annual report complies with the requirements of the Accounts and Audit Regulations and the Audit Standards.	The audit opinion within the 2017/18 Annual Head of Audit Report will comply with the requirements of the Accounts and Audit Regulations and Audit Standards.  The 2016/17 Annual Head of Audit Report included a long statement on the Council's governance procedures, but included no comment in the actual audit opinion itself.	HoIA	July 2018	2017/18 Annual report has been timetabled for September 2018 Governance & Audit Committee. This will include an opinion detailing specifically risk management, internal control and governance assurance. compliance	Green	Report to be completed.
7	The HoIA should ensure future plans show clearly how the work planned will contribute to forming an opinion at the end of the year on the Council's control and/or risk and/or governance arrangements.	Future annual audit plans will be designed to clearly show how they contribute to forming audit conclusions on control, risk and governance.	HoIA	July 2018	The new five year plan 2018/19 to 2022/23, approved at June's Committee meeting, refers to the requirement to complete work on risk management, internal control and governance.	Green	Further work will be completed on the 5 year plan to specify the work that fulfills each assurance criteria.

## Appendix 1

8	The HoIA should update the Audit Charter as a priority.	The Audit Charter will be updated to reflect the current audit standards. However, it should be noted that CIPFA have not yet issued its Local Government Application Note which should detail how the Charter should be revised.	HoIA	July 2018	The charter is currently being updated and will be completed within the specified deadline.	Green	The Charter will require approval by the Governance and Audit Committee.
9	The HoIA should complete audit procedure notes to supplement the MK Insight process details.	Audit procedure notes will be completed to describe the current audit process now that MK Insight has been implemented.	HoIA	Dec 2018	None, as yet due to completion of other priority actions.	Amber	To be timetabled and assigned.
10	The HoIA should enhance the Quality Assurance and Improvement Programme to include wider development needs that can be derived from, for example: <ul style="list-style-type: none"> <li>• skills assessments against future needs and resulting team development programmes,</li> <li>• occasional client surveys</li> <li>• feedback loops from file reviews,</li> <li>• personal development reviews</li> <li>• feedback from staff on opportunities for improvement</li> </ul>	The Quality Assurance and Improvement programme will be broadened in scope in future.	HoIA	Dec 2018	QAIP will be enhanced to include the wider development needs.	Amber	Training and development plan to be prepared and agreed. This will now need to include the training needs of the new starters in August.

## Appendix 1

11	The HoIA should undertake an assessment of future service requirements and skills required to meet requirements, and produce a team development plan to deliver the core needs identified.	A team development plan will be produced to deliver the service's future needs.	HoIA	July 2018		Amber	This will be completed as part of the training and development plan in 10 above.
12	The HoIA should ensure key audit reports, including the strategic and annual audit plans, and the HoIA annual report are presented to the Corporate Management Team	Internal Audit currently reports through the Chief Finance Officer and the Governance and Audit Committee. There are regular briefings to the Chief Executive.  We will explore the merits of periodic reporting to CMT, subject to timetabling, in line with the reports that are presented to Governance and Audit Committee.	ADFP	April 2018	New 5 Year Internal Audit plan has been tabled at CMT on 20th June 2018.	Green	2017/18 Internal Audit Annual report will be tabled at CMT in mid August.
13	The HoIA should ensure all reports confirm work has been done in accordance with the Standards, unless this does not apply.	This is the case for non MKI generated reports, which are a small percentage of the reports. All future audit reports are to confirm that work has been done in accordance with the Standards unless this does not apply.	HoIA	April 2018	No reports currently have been completed outside MKI so no changes yet to action.	Green	Any reports prepared outside MKI will have the PSIAS statement included.