

| ISLE OF ANGLESEY COUNTY COUNCIL | |
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| REPORT TO | AUDIT AND GOVERNANCE COMMITTEE |
| DATE | 8 DECEMBER 2015 |
| TITLE OF REPORT | REVISION OF THE INTERNAL AUDIT PROTOCOL TO INCLUDE FOLLOW UP AUDITS |
| LEAD OFFICER | HEAD OF INTERNAL AUDIT – MIKE HALSTEAD |
| CONTACT OFFICER | AUDIT MANAGER - SIONED PARRY |
| <p>Nature and reason for reporting – To comply with the requirements of the UK Public Sector Internal Audit Standards and the CIPFA UK Standards which came into force on 1st April 2013, whereby the Head of Audit is required to follow up management actions arising from its assignments.</p> | |

1. INTRODUCTION

- 1.1 The Internal Audit Service has in place an Internal Audit Protocol agreed with senior management which sets out the various stages of Internal Audit engagements and the timescales for undertaking these.
- 1.2 This Internal Audit Protocol document sets out an agreed methodology and timescales for the planning, performance and communication of results from Internal Audit reviews in line with the Public Sector Internal Audit Standards. The Protocol sets out what is required from both the Internal Audit Service and its clients in order to best achieve the set audit objectives.
- 1.3 The Interim Head of Internal Audit in a report to the Audit and Governance Committee 27 July 2015 identified work needed to be done to improve the process for collecting the data concerning agreed recommendations raised and how progress in implementation is monitored in order to be able to report accurately to the Senior Leadership Team and provide assurance to the Audit and Governance Committee.
- 1.4 No enhancement of the internal control framework can be made or reductions in associated risks until recommendations are implemented in full. A Follow Up and Monitoring process to provide assurance that the agreed recommendations are implemented within the timescales set out in the Final Report Action Plan is set out in Paras. 10 and 11 of the attached Internal Audit Protocol. The Follow Up procedures for establishments (Elderly and Children’s Homes, Day Care Centres, Leisure Centres, Libraries, Museums etc.) are the same apart from school audits which is outlined in Page 13, Para. 6.
- 1.5 The Protocol has been reviewed and updated in line with current regulation and practices.

2. RECOMMENDATION

- 2.1 The Internal Audit Protocol is presented here for the information and comment of the Audit and Governance Committee.



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COUNTY COUNCIL**

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| Title: | INTERNAL AUDIT PROTOCOL |
| Last Reviewed: | AUDIT COMMITTEE – 8 December 2015 |
| Next Review Due: | AUDIT COMMITTEE – April 2017 |
| Author: | AUDIT MANAGER |

PROTOCOL FOR INTERNAL AUDIT

Introduction

The Relevant Internal Audit Standard Setters (RIASS) adopted a common set of Public Sector Internal Audit Standards (PSIAS) from 1 April 2013. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). The Relevant Internal Audit Standard Setters for local government in the United Kingdom is the Chartered Institute of Public Finance and Accountancy (CIPFA). (PSIAS – Framework Overview)

Purpose of the Protocol

The Council has adopted the Public Sector Internal Audit Standards (PSIAS) and all Internal Audit activities must comply with these standards. The Public Sector Internal Audit Standards include, among many others, standards relating to the following;

- Engagement Planning (PSIAS 2200) which covers the areas of Engagement Objectives, Scope, Resources and Work Programmes (PSIAS 2210; 2220; 2230 & 2240).
- Performing the Engagement (PSIAS 2300) which covers Engagement Supervision (2340).
- Communicating Results (PSIAS 2400) which includes the Criteria for Communicating (2410) and the Dissemination of Results (2440).

- Monitoring Progress (PSIAS 2500) which covers the establishment of a follow-up process to monitor and ensure management actions have been effectively implemented (2500 A1) and monitor the disposition of results of consulting engagements (2500 A2).

This Internal Audit Protocol document sets out an agreed methodology and timescales for the planning, performance and communication of results from Internal Audit reviews in line with the PSIAS. The Protocol sets out what is required from both the Internal Audit Service and its clients in order to best achieve the set audit objectives.

Definition of Internal Audit

Internal Audit is defined within the Public Sector Internal Audit Standards as follows:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.” (PSIAS – section 3)

Audit Objectives

The objective of all audits is to assist and support management in identifying strengths and weaknesses in systems and to improve the systems for governance, risk management and of internal control. In order to achieve this common goal there needs to be communication and co-operation between both parties throughout the process in order to ensure that the audit meets the needs of the client department and the organisation as a whole. The purpose of this protocol is to provide a model system for both Auditors and Clients to follow and to ensure input into the process by the Client Department. It is possible that circumstances may justify a departure from this model system.

This protocol only relates to planned audits identified in the audit programme and not to any special investigation, or audits which require the auditor to visit unannounced.

1. Audit Planning

- 1.1 The Public Sector Internal Audit Standards make the chief audit executive responsible for developing a risk-based plan. The chief audit executive takes into account the organisation’s risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation. If a framework does not exist, the chief audit executive uses his/her own judgment of risks after consideration of input from senior management and the Audit and Governance Committee. The chief audit executive must review and adjust the plan, as necessary, in response to changes in the organisation’s business, risks, operations, programs, systems, and controls. (PSIAS 2010 – Planning)
- 1.2 The audit planning process is carried out annually in January and February and is produced by carrying out a risk assessment of all the organisational areas. The relevant extract of the audit plan is agreed with each individual Service prior to

each the start of each financial year. This process results in each senior manager being informed of each area, under their control, that the Internal Auditor intends to audit during the forthcoming year.

This planning process is a chance for discussion between Internal Audit and the Services to identify any areas of particular change or concern in the areas to be reviewed. The issues discussed will be fed into the assignment planning stage for these reviews. The active involvement of the Council's senior management in this process is vital to ensure that reviews are designed to add the most value to each area.

The planning stage will also involve discussion on broad indications of dates for the undertaking of reviews in order to avoid peak times for the Services and to cause the least disruption to their work. Where possible Internal Audit will design the Audit Schedule around these broad dates. However, in order to fit in with the requirements of the External Auditor, or to ensure that any specific skills necessary to complete some reviews are available, agreed timings may require amendment following discussion with Services.

In order for any review to fully support management and to add value it is imperative that management and Internal Audit work together and that the Internal Auditor on site has access to the right people and the right information at the right time.

- 1.3 When the Auditor is in a position to commence a particular audit identified in the Audit Plan, the relevant senior manager will be notified by memorandum **at least 7 days prior to the proposed date of the scoping meeting**. The memorandum should give a brief description of the proposed terms of reference, although instances may arise where it is not possible for the Auditor to draw up a proposed terms of reference at this stage (e.g. a new system which has not been audited previously). If possible a proposed date for commencement should also be given.
- 1.4 As a first stage in carrying out the audit a scoping meeting will take place between the Auditor and the Head(s) of Service (or designated key audit contact) **at least 7 days prior to the issuing of the Audit Planning Sheet**. The purpose of this meeting is to discuss the areas which the Auditor has assessed as being of sufficient risk to require inclusion in the audit and also to consider the concerns and priorities of the client and to feed these areas into the planning process in order to agree a final terms of reference for the audit.

However it should be noted that in drawing up the terms of reference, the Auditor must maintain his / her independence and clients cannot insist that areas are removed from the terms of reference if the Auditor's assessment of risk identifies that the particular area should be included. In this respect Internal Audit will need to include areas that are required for External Audit and other stakeholders to take assurance from their work.
- 1.5 The scoping meeting will also identify the person who will act as the main contact during the audit. The nominated Contact Officer can be the senior manager or a manager within the Service responsible for the area under review.
- 1.6 This scoping meeting will also allow the Auditor and the client to identify useful sources of information that the Auditor can use during the review.

- 1.7 The final point to be agreed at the scoping meeting will be the timescale for the audit, i.e. when it will start, how long it is expected to take and when the closure meeting will take place. The timescale will depend on the type and complexity of the audit to be undertaken and it must be emphasised that the days specified will not be consecutive working days as the work will be undertaken in conjunction with other audit projects and work.
- 1.8 For audits of a corporate nature, which address authority wide issues, the initial memorandum will be e-mailed to the Chief Executive and it is for them to decide which senior manager will act as the lead on behalf of the Council. The Assignment Planning Sheet will be agreed with this lead senior manager.
- 1.9 The results of the scoping meeting will be entered into the Internal Audit working papers and will be issued to the client as an Audit Planning Sheet (Audit Brief) **within 7 days of the scoping meeting**. This document sets out the objectives of the review and the limitations to its scope. The start and anticipated end days of audit field work are also included. This document must be agreed with, and signed off by, the senior manager or nominated Contact Officer prior to the start of the field work.
- 1.10 The Audit Planning Sheet will contain details of the key information and data that will be required by the Auditor at the start of the review. This may include copies of relevant procedure notes, organisation charts, various system reports, copies of minutes of meetings etc. Adequate time should be allowed from the issue of the Audit Planning Sheet and the start of the Audit field work to allow management to produce and collate this information for the day of commencement of the field work.
- 1.11 Information provided by management should be provided electronically where possible as the Internal Audit Service will produce electronic audit files and working papers wherever possible.

2. Undertaking the Audit

- 2.1 The audit will then be undertaken with any queries and general feedback being directed through the Contact Officer.
- 2.2 If the initial findings of the audit identify significant areas of risk, problems or unexpected factors, then these will be referred back to the relevant senior manager and any additional work necessary will be discussed. If significant control weaknesses are identified which require immediate action then an **interim report** detailing these weaknesses and a course of action to mitigate or eliminate them will be issued by the Audit Manager.
- 2.3 The Auditor will complete audit tests and the work will be reviewed by the Audit Manager or a Senior Internal Auditor to ensure that all the work identified in the Assignment Planning Sheet has been carried out satisfactorily and that the standard of the audit is in accordance with the requirements of the Audit Manual and the Public Sector Internal Audit Standards.
- 2.4 The Auditor will keep the Contact Officer informed on the general progress of the review and in particular whether the Auditor is experiencing delays or is expecting the audit to be significantly delayed for any reason. Agreement can then be reached on a new date for the closure meeting.

3. Debrief Meetings

- 3.1 Unless indicated by the relevant senior manager, at the initial meeting, a debrief meeting will be held between the Auditor, the senior manager and any other officer nominated by the senior manager (normally the Contact Officer) **within 7 days of the completion of the Audit field** work to discuss the findings, conclusions and recommendations. The senior manager need not attend the meeting if he / she wishes and can delegate the debrief process to the Contact Officer.
- 3.2 Debrief meetings are designed to provide feedback on the results of the audit and for management to review the work undertaken and to discuss with the Auditor any identified factual errors or misunderstandings in the work undertaken. Debrief meetings are also used to review the recommendations and to ensure that they are suited to the way in which individual Services and sections operate. The Auditor should ensure that they have the audit file with them including evidence to support their findings as appropriate. Debriefs should ensure that there are no surprises for management in the draft report and make it easier for management to respond when the draft is issued. An indication of the final RAG opinion for the report will also be provided at the debrief meeting.
- 3.3 If management believes that they can provide further information relating to issues raised at the debrief meeting then this information will be taken into account by Internal Audit before the production of the draft report. However, the additional information must be relevant to the issues raised and made available to Internal Audit to allow compliance with the timeframe set for the issuing of the draft report (i.e. within 14 days from the date of the debrief meeting).
- 3.4 At the end of the debrief meeting the management representatives senior manager and / or Contact Officer) present will be asked to sign the debrief sheet prepared by Internal Audit to the effect that the issues contained therein have been discussed at this meeting. The management representative is signing to confirm the issues discussed and no agreement to their accuracy and content is required at this point.
- 3.5 It may become apparent at the closure meeting that further field work is required by the Auditor in order to verify the points raised or to refer to further information identified by management. In such instances the Auditor will undertake the additional testing required and amend the review findings as necessary. The client will be given the opportunity to decide whether they wish to receive feedback on these extra points through a second debrief meeting or by means of the formal draft report.

4. Draft Reports

- 4.1 The Internal Audit Section will issue a draft report of the findings, conclusions and recommendations, to the individuals identified in the Assignment Planning Sheet **within 14 days of the initial debrief meeting**.
- 4.2 For those audits, identified as corporate audits, the debrief meeting will be between the Auditor and the lead senior manager. It is noted that this Officer may not be in a position to provide a response on all the points raised and may

require consulting with other Services. This consultation process will be reflected in a longer timescale for responding to the draft report.

5. Providing Responses

- 5.1 It is expected that management responses including timescales and the nominated responsible employee for implementation be returned to the Audit Section **within 14 days of the issue date on the draft report**. If it is not possible to achieve the deadline set, the relevant senior manager, or agreed Contact Officer should contact the Audit Manager to discuss the matter and to agree a revised deadline.
- 5.2 It is the intention of the Audit Manager to agree all reports issued and clients will be given every opportunity and support in order that a response is provided. In order for this process to work, it is important that those who will be responding to the draft report are present at the debrief meeting.
- 5.3 As the Auditor also has a responsibility to inform and provide assurance to the Council's S.151 Officer on the standard of internal controls operating within systems, a **copy of draft reports** of any audit given a 'Red Assurance' audit opinion under **Internal Audit's RAG methodology** will be sent to the S.151 Officer. If the findings of the audit indicate unlawful activities, or activities which may equate to maladministration, a copy of the report will also be sent to the Council's Monitoring Officer. In some cases it may be necessary to refer reports to other officers with specific responsibility for areas covered in the report.
- 5.4 Audit Reports should be treated as documents confidential to the service and whilst the report is in draft stage the Auditor will not release it to any other person apart from those identified as recipients of the draft report, unless access to another officer is agreed between the Auditor and the appropriate senior manager. However the S. 151 Officer or Monitoring Officer do have the right to receive copies of draft reports. In such cases they will also be provided with copies of any responses already received from Services.
- 5.5 Where a specific finding and / or recommendation relates to issues concerning the systems or internal controls operated by another Service/s then the background to, and a copy of, the specific finding and / or recommendation will be sent to that Service for a response. Such responses will then be included in the Final report. The confidentiality of audit reports must be respected by these Services.
- 5.6 Clients should also ensure that access to the report is limited to the recipients identified and to other officers whose input is required in order for the Service to provide a response. Draft reports are work in progress at this point and should not be circulated widely by management.
- 5.7 The client will be given every opportunity and assistance to provide a response to draft reports but if no response is forthcoming a final reminder copied to the relevant senior manager will be issued and non-responses will be reported to the Chief Executive and to the Audit and Governance Committee.
- 5.8 The Audit and Governance Committee has requested that a report be included in the Audit Manager's Progress Report of all draft reports that have not been responded to within three months of the issue of a draft report.

6. Issuing Final Reports

- 6.1 A **Final report will be issued within 7 days following receipt of all management responses** to draft reports. The Final report will be issued only to those identified on the Assignment Planning Sheet.
- 6.2 Although it is the intention of the Audit Manager to agree the contents of the final report with the client Service there may be instances where this is not possible. Where cases arise where the report cannot be agreed, the reasons why the client Service does not agree with the findings, conclusion or recommendations made will be shown in the report. Any disagreements will also be noted in the Management Action Plan where the Audit Manager will detail why he believes a significant and / or material risk remains if no management action is taken to mitigate or eliminate the weakness identified.
- 6.3 Final Reports are issued to the relevant senior management and / or the appropriate manager(s) identified at the outset of the audit within the Assignment Planning Sheet, and to the S.151 Officer. In addition a summary of all reports is included in the Audit Manager's progress report to the Audit Committee. The Executive Summary of all reports given a 'Red Assurance' opinion will also be included in progress reports. The progress report is a public document and therefore the Executive Summary may eventually come into the public domain.
- 6.4 Copies of all Internal Audit system reviews and Establishment reports (not referrals) are available to Audit and Governance Committee members on request to the Audit Manager. Internal Audit reports are provided for the sole use of the Member and not for further publication or re-issue.
- 6.5 Copies of Final Internal Audit reports may also be requested by the External Auditor in order that they can review the standard of work carried out. This evaluation will determine if the External Auditor takes assurance from the work of Internal Audit.
- 6.6 **Audit Opinions** – New assurance level definitions for 2015/16 are clearer and more precise and bring into play the priority of recommendations made. They are:

| LEVELS OF ASSURANCE | DEFINITION |
|------------------------------|--|
| SUBSTANTIAL ASSURANCE | Arrangements for governance, risk management and internal control are good. No or only low impact management action is required. No high and a maximum of 2 medium priority recommendations are made. |
| REASONABLE ASSURANCE | Arrangements for governance, risk management and/or internal control are reasonable. Management action of moderate to low impact is required. No high priority recommendations are made. |
| LIMITED ASSURANCE | Arrangements for governance, risk management and internal control are limited. Management action of high to moderate impact is required. |

| | |
|--------------------------|--|
| | A number of high and/or medium priority recommendations are made. |
| MINIMAL ASSURANCE | <p>Arrangements for governance, risk management and internal control are significantly flawed. High impact management action is required in a number of areas.</p> <p>A significant number of high priority recommendations are made.</p> |

7. Quality Control

- 7.1 The Public Sector Internal Audit Standards require the Audit Manager to develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The quality assurance and improvement programme must be designed to enable an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. (PSIAS standard 1300)
- 7.2 In order to allow the standard of the service to be monitored and to identify improvements which can be made a quality questionnaire will be issued to the relevant senior manager with each Final report. The completion and return of this questionnaire should be **within 7 days of the issue of the Final report.**

8. Complaints

- 8.1 A complaints procedure is offered to clients in those circumstances where the client is of the view that the level of service provided in a specific case is below that which would be expected.
- 8.2 The complainant is initially expected to discuss the complaint informally with the Audit Manager to see if any issues of concern can be satisfactorily resolved without the need for formal steps.
- 8.3 Where it is not possible to resolve the matter informally, the complainant (or their line manager) should make a written complaint to the Audit Manager explaining the nature of the complaint and the client's expectation. Where the complaint is about the work of the Audit Manager the complaint shall be made to the Chief Executive.
- 8.4 Within a reasonable time, as communicated to the complainant, Audit Manager (or the Chief Executive) will consider the complaint and, as needs be, discuss the matter with the complainant, members of staff of the Service, or any other appropriate officer.
- 8.5 Within the appointed time the Audit Manager (or the Chief Executive) will respond to the complaint in writing. This response will explain any steps to be taken in response to the complaint or explain why no specific steps will be taken.
- 8.6 Where the complainant, or their line manager, is unhappy with the result of the complaint following step 8.5 above, the complainant, or their line manager, may

make an appeal against that decision. The appeal shall be made in writing to the Chief Executive, setting out the reasons for appeal and steps 8.4 and 8.5 shall be followed by the Chief Executive in dealing with the appeal. The Chief Executive's decision on the appeal shall be final.

9. Audit and Governance Committee

- 9.1 The Audit and Governance Committee receives an Internal Audit Progress report at each of its meetings and an Annual report of the Audit Manager. This allows the Audit and Governance Committee to monitor the performance of Internal Audit against the Operational Plan during the year.
- 9.2 The Audit and Governance Committee has requested that all draft reports that do not receive management responses within three months of the issue of the latest draft be reported to them.
- 9.3 The Audit and Governance Committee also receives details of all Final Internal Audit reports issued that have received a 'Red Assurance' audit opinion.

10. Audit Follow Ups

- 10.1 The Internal Audit process needs to go beyond the issue of a Final Report and to provide assurance that the agreed recommendations are implemented within the timescales set out in the Final Report Action Plan. No enhancement of the internal control framework can be made or reductions in associated risks until recommendations are implemented in full.
- 10.2 Each audit report contains a schedule setting out an agreed action plan for management to implement. This will form the basis of the follow up review or visit aimed at reviewing the implementation of the agreed recommendations.
- 10.3 A follow up will normally take place **within 6 months of the issue of the final report** and will assess managerial action taken and establish its effectiveness. The Section needs to maximise its resource and target resources where they are most needed. As a result it has been agreed to implement the new follow up process as follows:

| LEVELS OF ASSURANCE | NEW PROCESS |
|------------------------------|--|
| SUBSTANTIAL ASSURANCE | No follow up will be undertaken. |
| REASONABLE ASSURANCE | Generally only those recommendations ranked yellow and higher will be reviewed (Medium and High Priority). However, this is not rigid, as a number of green (Low) risks together could increase the overall risk rating. The recommendations should be discussed and those recommendations to be reviewed at the follow up stage should be agreed with the Principal Auditor/Audit Manager when the audit is reviewed. |
| LIMITED ASSURANCE | A full in depth follow up will be undertaken. |

**MINIMAL
ASSURANCE**

A full in depth follow up will be undertaken.

- 10.4 Wherever possible, follow ups should be conducted from the desk to minimise resources.
- 10.5 The results of follow ups should be recorded in the appropriate column of the action plan and should be conveyed to the client by memo.
- 10.6 Where management has failed to implement recommendations as agreed, a formal process will be followed to report these findings to senior management, and to the Audit and Governance Committee. A **second follow-up** audit may be necessary in the event of a failure by management to implement a significant number of recommendations contained in the original report. Where a number of recommendations remain outstanding at the second follow up stage and there are no obvious reasons to account for the lack of progress, the matter will be referred to the Audit and Governance Committee for consideration. This will require a responsible officer to attend the Audit and Governance Committee to explain the lack of progress.
- 10.7 Subsequent to the completion of the follow up and an assessment of the number of recommendations implemented and identified as outstanding it is necessary to, where appropriate, provide a revised audit opinion. The revised audit opinion should be reported to management.
- 10.8 A copy of the follow-up memo must be retained on the 'shared' drive for reference purposes.

11. Monitoring of Audit Follow Ups

- 11.1 At the beginning of each year management complete a 'Schedule of Follow-Up Audits' as attached in **Appendix A**, which lists all the audit follow ups due in the current year. The Schedule details the following information:
 - A description of the audit
 - File ref
 - The auditor
 - Audit date
 - Follow up due date
- 11.2 Subsequent to the completion of the follow-up, the respective auditor completes the remaining information on the follow up schedule:
 - Actual follow up date
 - The number of recommendations made
 - The number of recommendations outstanding

- The revised audit opinion

The schedule is maintained on the 'G' drive – 'Audit Follow-Up Schedules Folder'.

- 11.3 In addition to the completion of the 'Schedule of Follow-Up Audits' the responsible auditor must complete the Performance Indicator Schedule, which requires the recording of the number of recommendations implemented (**See attached at Appendix B**). This schedule is held on the 'G' drive – PI Schedules Folder.

12. Distribution of Audit Follow Ups

- 12.1 The follow up memo or report should be distributed to the same officers who were on the distribution list for the original audit report issued in final format.

ESTABLISHMENT REVIEWS

Establishment Audits involve the auditing of individual Council establishments (Schools, Elderly and Children's Homes, Day Care Centres, Leisure Centres, Libraries, Museums etc.) These audits follow a standard audit programme developed for each establishment.

1. Preparation for the Audit

- 1.1 Prior to the start of each financial year, a copy of the relevant audit programme will be sent to the relevant senior manager in the Service. The senior manager should contact the Audit Manager to discuss any additions or amendments to the programme.
- 1.2 Prior to the commencement of each audit the senior Service manager and individual establishment manager will be contacted and informed that the audit is planned. Arrangements for carrying out the visit will be made with the individual establishment manager.

2. Carrying Out the Audit

- 2.1 Audit work will be carried out in the normal manner with the intention of minimising the time spent at the establishment.
- 2.2 At the end of the visit a debrief meeting will be held with the individual establishment manager to discuss the findings of the audit.

3. Agreeing Draft Reports and Providing a Response

- 3.1 Given the need for audit reports to follow the internal checking process within the Audit Section it is not possible for "draft" audit reports to be provided to the individual establishment manager during the visit, nor is it normally practical for Auditors to return to establishments to discuss the "draft" report (it would be costly, time consuming and increase the disruption for establishments.). Only in exceptional cases, where any additional work carried out following the visit or the

review by the Audit Manager has resulted in the findings of the draft report being significantly different from those discussed at the closure meeting, will the Auditor return to the establishment to discuss the draft report. Therefore in the majority of cases establishment audits will follow the current process whereby a draft report is issued to the relevant senior Service manager or individual establishment manager.

- 3.2 The senior Service manager or individual establishment manager will be given 14 days in which to provide a response to the issues raised in the draft report.
- 3.3 The process for amending and agreeing reports is as for all audit reports.
- 3.4 Failures to respond will be dealt with in the same manner as all other reports i.e. the client will be given every opportunity and assistance to provide a response but if no response is forthcoming a final reminder copied to the relevant senior manager will be issued and non-responses will be reported to the Audit and Governance Committee.

4. Issuing Final Reports

- 4.1 The process for issuing final reports will be the same as for all other reports.

5. Quality Control

- 5.1 The procedures for quality control are the same as for all other reports.

6. Audit Follow Ups

- 6.1 The procedures for follow ups are the same for all other reports apart from school audits whereby any audits where a head teacher has failed to implement recommendations as agreed, a formal process will be followed to report these findings to Education Department senior management, the Chair and the local authority representative of the Board of Governors. A **second** follow-up audit may be necessary in the event of a failure by the school's head teacher and Governing Body to implement a significant number of recommendations contained in the original report.
- 6.2 Where a number of recommendations remain outstanding at the second follow up stage and there are no obvious reasons to account for the lack of progress, the matter will be referred to the Audit and Governance Committee for consideration. This will require a head teacher/Chair of Governors and a senior manager from the Education Department to attend the Audit and Governance Committee to explain the lack of progress.

SUMMARY OF INTERNAL AUDIT PROCESSES AND TIMESCALES

| Ref | Process Description | When | Responsible Person | Reference in Protocol |
|-----|--|--|---|-----------------------|
| 1 | Annual Audit Planning | February / March | Audit Manager / Relevant senior managers | 1.1 to 1.2 |
| 2 | Initial Notification Memorandum | At least 7 days prior to the proposed date of the scoping meeting. | Audit Manager / Senior Internal Auditors | 1.3 |
| 3 | Scoping Meeting | At least 7 days prior to the issuing of the Audit Planning Sheet. | Audit Manager / Relevant senior managers | 1.4 |
| 4 | Issue of Audit Planning Sheet | Within 7 days of the scoping meeting | Audit Manager / Senior Internal Auditors | 1.9 |
| 5 | Production and collation of information and data required by Auditor and specified in the Audit planning Sheet | Prior to start date for field work stated in Audit Planning Sheet. | Heads of Service / Nominated Contact Officer | 1.10 |
| 6 | Undertake audit and results reviewed within Internal Audit. | Within number of days specified in Audit Planning Sheet | Internal Auditor / Audit Manager / Senior Internal Auditor | 2.3 |
| 7 | Debrief Meeting | Within 7 days of the completion of the Audit field work | Audit Manager / Senior Internal Auditor / Auditor/ Relevant senior managers / Nominated Contact Officer | 3.1 to 3.5 |
| 8 | Issue of Draft Report | Within 14 days of the initial debrief meeting | Audit Manager / Senior Internal Auditors | 4.1 to 4.2 |
| 9 | Management Responses | Section within 14 days of the issue date on the draft report. | Heads of Service / Nominated Contact Officer | 5.1 |
| 10 | Issue of the Final Report | Within 7 days following receipt of all management responses. | Audit Manager / Senior Internal Auditor | 6.1 |
| 11 | Completion and return of Internal Audit Quality questionnaire | Within 7 days of the issue of the Final report. | Heads of Service / Nominated Contact Officer | 7.2 |
| 12 | Follow Up Audit | Usually within 6 months of the issue of the final report. | Audit Manager / Senior Internal Auditor / Auditor/ Relevant senior managers / Nominated Contact Officer | 10.3 |

