

Appendix 3

Internal Audit Shared Service EQA Improvement Action Plan

Area for Improvement	Improvements Required	Action to be taken	Due Date
Working papers	Internal audit working papers to focus on major risks to the Council. This should include an assessment of the inherent risks in each area (regardless of whether or not these are specifically recorded with the risk management system) and other sources of assurances.	Revise the Terms of Reference to ensure there is a more explicit link between the Council's risk registers and assurances to be provided. Revise the control matrix (used to detail testing undertaken and conclusions drawn from it) so that it allows auditors to focus on the key controls and assurances which reflect the most material control risks to the area under review. Brief the Internal Audit team on the need for a greater emphasis of risk in audit reports.	All completed January 2017
Assignment reporting	To reduce the time taken to deliver final report	Undertake a team mapping exercise to help identify ways in which audit processes can be streamlined in order to reduce the time from scoping an audit to producing the final report.	Completed March 2017
Audit Opinions	The risk definitions used by Internal Audit to reflect the risk appetite within the Council	Review the audit opinions and definitions used at each Council and how these align with each Council's risk appetite and their own risk definitions Consult with senior managers in each Council on the findings of the review	Review completed. All three councils have the following audit opinion options for the 2017/18 Audit Plan: Substantial, Moderate and Limited.
Annual Audit Plan	Annual Audit Plan to provide a direct link to corporate risks and other available assurances	Annual plan will be constructed to provide an explicit link to the Councils risks and other assurances available to Internal Audit. This will be able to provide wider assurance to the Council in support of the Annual Governance Statement.	Completed - Annual Plan presented to the March 2017 Audit and Governance Committee
Annual Report	The Annual Report to provide an explicit link to risk and other assurances	The Internal Audit Manager's Annual Report to contain reference to all significant risks and considers the results of work performed by other assurance providers. Due regard will be given to the suggested example wording in the EQA report.	Annual Report to be presented to the June 2017 Audit and Governance Committee