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High Priority	Key Matters Arising	N/A	N/A	3	Increasing integration of the use by internal audit of risk-based techniques with the risk impact definitions of each client Council particularly in terms of planning at a strategic and engagement level would be mutually beneficial,		1) Request RM Impact Scores to include criteria (Service plan, Internal Ops, People, Reputation or Financial) 2) Ensure likelihood score has the same (likelihood/frequency/probability etc) 3) capture these in the strategic 4 year plan 4) Capture in ToE's	31/03/25
High Priority	Key Matters Arising	N/A	N/A	3	Enhance focus on identifying Managements Objectives within the scope of the engagement in order to identify the significant risks upon which an engagement should focus for assurance purposes.		1) Firstly review how others do this through Midland Counties forum 2) Have a clear section for management objectives in a revised ToE & have managers complete this.	1 = 31/12/24 & 2 = 31/03/2025
High Priority	Key Matters Arising	N/A	N/A	3	Consideration should be given to the revision of the basis for expressing internal audit recommendations and opinions in line with risk impact definitions recognised by clients within risk management policies		1) Firstly review opinions with Mid Counties 2) Ideally just go with three opinions e.g. No, Partial & Substantial 3) Link opinion to RM score e.g. substantial 8-12 partial 15-20 and little = >1 example of 15 to 20 or >20	1) by 31/12/24 & 2 = 31/3/25
High Priority	Key Matters Arising	N/A	N/A	3	Review the narrative used within the Audit Charter and Annual Opinion in the Head of Internal Audit Annual Report to ensure consistency and reflect the use of continuous planning and knowledge of both significant risks and other sources of assurance		1) Assurance mapping audit needs to be completed. 2) Charter needs updating to reflect GIAS & reported to committee.	All by 31/03/2025
Must maintain	Good Practice	N/A	N/A - purely maintenance target	3	An Internal Audit Charter setting out the role and responsibilities of Internal Audit is supported by a detailed Internal Audit Manual which guides delivery and establishes the basis of Internal Audit recommendations and opinions		Keep manual up to date and share with staff	31/03/25
Must maintain	Good Practice	N/A	N/A - purely maintenance target	3	The service has developed a documented internal audit methodology and supporting templates that delivers and evidences a consistent service in line with client requirements.		Keep methodology & templates up to date & ensure followed	On going but initially 31/3/25
Must maintain	Good Practice	N/A	N/A - purely maintenance target	3	Robust communication protocols exist throughout internal audit delivery.		Improved close down notes as part of methodology/checklist	31/03/25
Must maintain	Good Practice	N/A	N/A - purely maintenance target	3	Self-assessment identifies areas in which future development will be beneficial and is based upon the development of job descriptions, performance appraisals, the establishment of a training matrix and client feedback.		APR's & Audit Plans/Service Plan by 28/2 in order to ID training needs	28/02/25
Must maintain	Good Practice	N/A	N/A - purely maintenance target	3	Routine reporting informs clients and the Corporate Governance Committee regarding progress regarding completion of the internal audit plan, findings and the follow up of recommendations.		Annual planners for each client, design a new standard prog v plan report with graphics that show areas of concern & KPI's	Committee cycle after 31/3/25

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Must maintain	Good Practice	N/A	N/A - purely maintenance target	3	The Internal Audit service receives favourable feedback from clients who are appreciative of the approachable, flexible and client focused support that is provided.		Modify deliver & monitor it through automation e.g. MS Forms, Snap Survey. Also attend DMT's	All work from 1/4/25
Must maintain	Summary of Good Practice	N/A	N/A - purely maintenance target	7	The combination of the Charter and the Internal Audit Manual is comprehensive and establishes an appropriate framework against which internal audit services can be delivered in accordance with the PSIAS.	1000	Keep Charter & Manual up to date to reflect changes from EQA, GIAS & on going maintenance & service improvement	31/03/25
Must maintain	Summary of Good Practice	N/A	N/A - purely maintenance target	7	A process is in place regarding the identification and management of potential conflicts and/or declarations of interest. The Head of Internal Audit & Assurance has other functional responsibilities, regarding which independent assurance will need to be transparently managed under the new GIAS.	1100	Continue identification and management of potential conflicts and/or declarations of interest. Need to reflect new GIAS on skepticism in annual ethics review	31/03/25
Must maintain	Summary of Good Practice	N/A	N/A - purely maintenance target	7	Performance review is embedded within quality control procedures and supported by a staff appraisals process which identifies and supports performance development needs.	1311	Ensure Quality Assurance checks by HoIA, clear (at least monthly) documented and signed off 1:1's, complete APR's for all staff, Quality checklists, peer reviews where appropriate	31/03/25
Must maintain	Summary of Good Practice	N/A	N/A - purely maintenance target	7	Represents the establishment of a good understanding of key issues through routine interaction with clients at all levels	2020	Improved DMT & equivalent access to help continue to understand key issues. Ensure all clients have an outstanding actions list	31/03/25
Must maintain	Summary of Good Practice	N/A	N/A - purely maintenance target	7	The concept of continuing to develop an in-house team supported by external support provides for both sufficient resources and those of a technical or specialist nature	2030	Look at development areas needed and see where best to fulfil e.g. more ICT resource, procurement, contract, capital etc. Still consider guest auditors	31/03/25
Must maintain	Summary of Good Practice	N/A	N/A - purely maintenance target	7	Demonstration of a consistent approach to communication which is well received by management and the CGC – effective follow-up using automated software ensures issues are not lost.	2060	Consistent simple graphical/pictorial prog v plan reports, attend dmt's but cost out, automated rec tracking, automated questionnaires	31/03/25
Must maintain	Summary of Good Practice	N/A	N/A - purely maintenance target	7	Effective supervision and review of progress ensures a consistent approach and delivery of the approved methodology.	2300	HoIAS - QA, 1:1's, APR's, Quality checklists, peer reviews all in place	31/03/25
Must maintain	Summary of Good Practice	N/A	N/A - purely maintenance target	7	The internal audit team routinely communicates regarding audit planning and outcomes from engagements in a manner which is consistent with the achievement of client objectives.	2400	Auditor six monthly prog of work, improved post audit closedown procedures and associated checklist, better linkage of outcomes to risks and objectives	31/03/25

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Consider	Resources	Internal Audit Charter (IAC)	1	9	Consider the value of revising statements 5.3 and 5.4 in IAC to align with existing practice regarding the continuous development of internal audit plans with the provision of an annual opinion reflecting the effectiveness of governance, risk management and control within the changing risk environment in which each client operates and where independent assurance from internal audit is designed to support the Annual Governance Statement.	1000	HolIAS to amend the charter per the rec - but not until GIAS required amendments are also known i.e. do at same time	28/02/25
Review	Resources	Quality Assurance Improvement Program (QAIP)	2a	9	Consider introducing specific QAIP policy which draws together all aspects of the quality assurance and development processes.	1300	HolIAS to develop a policy based on the example given by Assessor	28/02/25
Review	Resources	Quality Assurance Improvement Program (QAIP)	2b	9	Ensure a detailed statement is included in the Head of Internal Audit Annual Report which: 1. Confirms that all measures contained in the process have been completed, and 2. How any significant deviations or development needs will be resolved.	1300	Head of IAS to develop a policy based on the example given by Assessor	31/05/25
Review	Resources	Quality Assurance Improvement Program (QAIP)	2c	9	Consider introducing a limited set of formal KPI's based on quantitative and qualitative data to support the QAIP process referred to above. Such detail will then provide further evidence regarding conformity with the PSIAS. An example policy has been provided.	1321	Head of IAS/Assistant Director (AD) to sign off Internal (to IA), Internal to AD & External (CGC) KPI's to capture appropriate level of detail for each	31/12/24
Consider	Resources	Self Assessment	3	10	It is understood that work pressures and waiting for the outcomes of the EQA process have led to not all actions being completed by the anticipated date. It would be beneficial to include an action plan within the Quarterly Progress Reports to CGC in future to confirm the position regarding outstanding actions.	1300	HolIAS to add o/s areas to this log & devise a simple action plan update for committee reporting (embedded within prog v plan?)	31/03/25
Consider	Resources	Job Descriptions	4	10	Review all job descriptions in line with current roles and responsibilities and include appropriate reference to the PSIAS/GIAS.	1200	Quick win = PSIAS & GIAS reference in all JD's. Long term = amend JD's where needed as part of a service review	31/03/25

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Review	Competency	Audit Universe	1	11	It would be beneficial to continue to increasingly align development of the internal audit planning system with each client's risk management processes in order to ensure that resources were consistently focused on areas where assurance is required regarding the operation of policies, procedures and controls that mitigate the significant risks to which the client is exposed at an inherent level. Global Internal Audit Standards are anticipated to increasingly call for alignment of risk registers with the internal audit universe.	2000/2010	Audit planning aligned with RM processes i.e. focus on significant risks. - might need to wait for GIAS requirements?	31/03/25
Consider	Competency	Governance	2	11	In Local Government, each Council establishes a Code of Governance in accordance with CIPFA SOLACE – it would be beneficial to further map internal audit activity to the content of the Code within the Internal Audit Planning process in order to provide assurance at a level which contributes directly to the Annual Governance Statement through the Head of Internal Audit Annual Report. Consider extending the explanation regarding the internal auditor's responsibility regarding assurance on Governance processes in the introduction of the IAC to define how the opinion is derived in practice and the assurances available through the annual self-assessment exercise.	2110	Suggested updates in Head of Internal Audit Annual Report & IAC	31/03/25
Review	Competency	Fraud	3	12	It would be beneficial to more formally align the significance of fraud risk in relation to achievement of the management objectives agreed within each engagement. The proposed Global Internal Audit Standards feature a requirement to identify significant fraud risk within the scope of the engagement, consequently it would be beneficial to consider how this might best be achieved.	2120	Link fraud risk in relation to achievement of the management objectives agreed within each engagement using a standard process within the ToE - subject to any GIAS requirements	31/03/25

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Review	Competency	Significance	4	12	It would be beneficial to align all similar processes with each client's risk management processes and the definitions of risk impact. In the case of LCC this might reflect that defined as those risks attracting a 'Major' or 'Very High/Critical Grading'. Please read in conjunction with item c7 which follows.	2200/2450	1) Firstly review opinions with Mid Counties 2) Ideally just go with three opinions e.g. No, Partial & Substantial 3) Link opinion to RM score e.g. substantial 8-12 partial 15-20 and little = >1 example of 15 to 20 or >20	1) by 31/12/24 & 2 = 31/3/25
Review	Competency	Assurance Mapping	5a	13	Consider further developing the internal audit methodology by formally documenting the sources of assurance available to internal audit within each engagement as part of routine processes. Assurances maybe both internal and external.	2050	Assurance mapping by end fin year, continue assurance mapping at local level	Assurance Map by 31/3, continue at local level & build in assurance map at local level where needed
Review	Competency	Assurance Mapping	5b	13	Use the accumulated knowledge gained to support the Annual Assurance opinion in the Head of Internal Audit's Annual Report as the role of the CAE in the assurance mapping process is enhanced within the new GIAS.	2050	State all areas supporting the Annual Assurance opinion in the Head of Internal Audit's Annual Report	31/03/25
Review	Competency	Management Objectives	6a	13	Review the terminology used within the Terms of Engagement to reflect 'Management's Objectives' within the area for review. Consequently, base identification and discussion of risks in relation to the achievement of the agreed objectives, focusing each engagement on significant risks as recognised by client risk management processes and Stakeholder expectations.	2010 A2/2021	Update (inc template and check lists) ToE formulating process to focus on management objectives & key risks to achieving	31/3/25 then on going
Review	Competency	Management Objectives	6b	13	Consider extending the existing link to client gradings of risk impact and likelihood throughout the audit process including more formal alignment of definitions with recommendations and opinions, which may ultimately be aligned with confirmation of the residual risk scores within client risk management processes.	2010 A2/2021	1) Firstly review opinions with Mid Counties 2) Ideally just go with three opinions e.g. No, Partial & Substantial 3) Link opinion to RM score e.g. substantial 8-12 partial 15-20 and little = >1 example of 15 to 20 or >20	1) by 31/12/24 & 2 = 31/3/25

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Review	Competency	Management Objectives	6c	13	Consider including recommendations graded as 'High' as further mitigating actions within risk management systems.	2010 A2/2021	Embed within quality control checklist to 'force' auditor to make this rec (comply or explain) for any high recs. Align to the revision of Corporate Risk Framework for January 2025 CGC	31/12/24
Review	Competency	Grading of Recommendations	7	14	It would be beneficial to more formally align future grading of recommendations with those impact definitions used within the client's risk management process, particularly those agreed as 'significant' as risk management process, particularly those agreed as 'significant' as these may impact on residual risk ratings. This would assist in both agreeing the specific risk focus of each engagement as well in assessing the relative importance of findings at the exit meeting, grading recommendations and in providing an opinion within assurance reports. We believe the profession is generally moving towards use of a three tier opinion/recommendation structure for assurance	2300/2410	1) Firstly review opinions with Mid Counties 2) Ideally just go with three opinions e.g. No, Partial & Substantial 3) Link opinion to RM score e.g. substantial 8-12 partial 15-20 and little = >1 example of 15 to 20 or >20	31/03/25
Review	Competency	Engagement Planning - Control Risk	8	15	Engagements should be increasingly constructed to reflect significant risks and aligned to Risk Impact definitions within the Risk Management Strategy. This will ensure standard recognition of terminology throughout each client	2201	1) Request RM Impact Scores to include criteria (Service plan, Internal Ops, People, Reputation or Financial) 2) Ensure likelihood score has the same (likelihood/frequency/probability etc) 3) capture these in the strategic 4 year plan 4) Capture in ToE's	31/03/25
Review	Competency	Engagement Planning - Control Risk	8	15	Assessment of 'Control Risk' in relation to the achievement of Management Objectives would focus reviews upon: - Those risks where the assessment is that the combined impact/likelihood score has decreased most and where if assumptions are incorrect critical business risk exposure may exist, - Risks where the value of 'Control Risk' is limited or zero and as a result suggesting the controls may be insufficient or ineffective, and - Key Controls (rather than a wider view of all controls which may have little impact on risk reduction or the achievement of business objectives), where these are defined within client risk management processes (risk registers). By also focusing on Management Objectives, significant risks and key controls, there may be efficiencies to be gained within assignments through targeting resources to issues of greatest importance or concern.	2201	Profile risks with each new release of corporate and dept risk registers to track the ones with most change (need to test) & little change (need to see if actions are strong enough)	31/03/25

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Consider	Delivery	Release of draft and final reports	1	16	Consideration should be given to documenting the process for approval of a draft/final report in the Internal Audit Manual where significant risk or negative assurance opinions are to be reported, or otherwise in the absence of the CAE.	2420	Document in Audit Manual and quality checklist the procedure for sign off of draft & final reports that have a poor opinion	28/02/25
Consider	Delivery	Exit Meetings	2a	16	A formal exit meeting at the conclusion of an engagement represents an opportunity to build relationships with management. PSIAS emphasises the relevance of effective communication with management, however GIAS goes further stating that the CAE "should encourage internal auditors to acknowledge satisfactory and positive performance in engagement communications".	2400	Ensure templates & quality control insist on a closedown and a report that covers what worked well as well as improvement areas (may need to adjust further for GIAS)	28/02/25
Consider	Delivery	Exit Meetings	2b	16	It is common practice to base such a discussion on an 'Exit Meeting Template' rather than the draft report as this may provide a more open discussion regarding the conduct of the engagement and outcomes. It may be beneficial therefore to reconsider the LCIAS approach to closure of engagements in order to further develop relationships.	2400	1) Get e.g. template 2) Build into quality control 3) ensure it is complied with	31/12/24
Consider	Delivery	Opinions	3	17	Include an appropriate table in a form suggested within C7 previously. Explanations should focus on significance, with priority being reflected within an agreed action plan for each recommendation	2450	1) Research example tables 2) revise report section re (as an appendices?) - after linking opinions to risk scores	31/03/25
Review	Delivery	HolA Annual Report	4a	17	In practice the opinion is based upon a much broader knowledge of the client, gained through previous years programmes and that gained within and provided for within the internal planning cycle, including discussions with management and reference to risk management processes. It would be good practice to support the comprehensive assurance opinion in relation to risk management, governance and control with broader reference to significant risks and other sources of assurance that are available, including reference to those within the risk management process and any future assurance mapping objectives. In this form, the opinion would also better align with the required content of the PSIAS and underpin the emphasis within the Annual Governance Statement.	2060/2450	1) Research examples 2) keep some form of running narrative re the broader aspects of 1) prior year work 2) changes to risk registers 3) assurances inc assurance mapping 4) areas within AGS	31/12/24
Review	Delivery	HolA Annual Report	4b	17	Planning for continuous assurance over a defined period rather than on the basis of a single years' plan was reflected in R1.	2060/2450	Share & constantly update the strategic plan - note AM should do this in conjunction with auditor at the conclusion of the audit AND when assurance or otherwise is given the all recs have been implemented	31/12/24
Consider	Suggested Enhancements for consideration	Client Surveys	1	19	Internal Audit may find it useful to implement an approach now being used by other teams which provides for - Issue of the digital form to the relevant client manager following an engagement within the draft report, and require feedback as part of the closure process, or - Support the feedback gained with an annual survey to Senior Client Managers, or Use Automated software such as Survey Monkey to administer feedback. In this way feedback may be directed toward different aspects of the provision of internal audit service as well as seen as more relevant, as a result encouraging increased participation which can be included in the QAIP process.	2000	Send out q with draft if deemed appropriate 2) send electronically 3) carry out annual survey of IA (in addition to bi annual customer satisfaction)	31/03/25

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Consider	Suggested Enhancements for consideration	Confidentiality	2	19	The Internal Audit Team should consider the need to include appropriate confidentiality and limitation of liability clauses in all reports which are or may be shared with clients, Audit Committees and third parties directly or indirectly. An appropriate statement may be: "This report provides an opinion on the effectiveness of internal controls and may provide reasonable, but not absolute assurance. This report has been prepared solely for the managers listed above and as such should not to be circulated beyond those named above without the express permission of the report author. No liability is therefore offered to third parties receiving a copy of the report. All or part of this document may be released under Freedom of Information Act 2000".	2440	Include confidentiality clause in reports. Consider adding to IA web pages	31/01/25
Consider	Suggested Enhancements for consideration	Reports	3a	20	Consider the benefits of moving to a consistent report template for all clients in which: 1 Opinions and recommendations are graded using a similar scale although aligned to what each client considers to be a 'significant risk' within its risk management system.	2400	Covered elsewhere already - see below as well	31/03/25
Consider	Suggested Enhancements for consideration	Reports	3b	20	<i>(Consider the benefits of moving to a consistent report template for all clients in which:)</i> 2. Use more colour to highlight issues that demand attention in line with above categories.	2400	Revise the report to drop detail & more graphical and better linked to RM	31/03/25
Consider	Suggested Enhancements for consideration	Reports	3c	20	<i>(Consider the benefits of moving to a consistent report template for all clients in which:)</i> 3. Include references in all reports to compliance with the PSAS and the Code of Ethics.	2400	Compliance with GIAS Application Note & Ethics in report	31/03/25
Consider	Suggested Enhancements for consideration	Reports	3d	20	<i>Consider the benefits of moving to a consistent report template for all clients in which: 4. Remove the duplication within reports so as to focus specifically on the opinion, an executive summary and a table of findings, recommendation and agreed action plans. (This may help to remove pressure on completion of reports following fieldwork and focus by management and the CGC on significant issues).</i>	2400	Drop detail section from report - but make it available upon request	31/03/25
Consider	Suggested Enhancements for consideration	Demonstration of progression	4	20	Consider greater use of trend information to support the various forms of report used in order to highlight achievements and concerns and develop transparency	1300	1) Look for good practice examples 2) think carefully re what trend info would add value and be easy to collect	31/03/25
Consider	Suggested Enhancements for consideration	Risk Management Options	5a	21	It would be beneficial to support the current opinion by adding further clarification in the either the IAC or the Annual Report as to how in practice this is achieved through combining the two sources of assurance referred to and thereby also demonstrating the independence of the CAE.	2120	Process for including sources of assurance in HoIAS Annual report (state process in charter as well)	31/12/24
Consider	Suggested Enhancements for consideration	Risk Management/Insurance opinions	5b	21	Whilst recognising that relevant reviews are signed off by other Senior Directors within LCC the new GIAS places emphasis on ensuring that organisational independence is maintained and therefore it is suggested that arrangements in this area should be reviewed in order to demonstrate transparency and compliance.	2120	Review how we ensure Organisational Independence for RM/Insurance Opinions - based on GIAS	28/02/25
Consider	Suggested Enhancements for consideration	Risk Management/Insurance opinions	5c	21	Ensure arrangements support an Annual Opinion in the Head of Internal Audit Annual Report.	2120	Covered above	31/03/25
Consider	Suggested Enhancements for consideration	Stakeholders	6	21	Consider how future internal audit activity may demonstrate appropriate consideration of other stakeholder expectations: 1.In devising internal audit plans	2010	Improve 'golden thread' from Service planning to RR (& changes) to Management Objectives through to strategic and yearly operational plan	31/03/25

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Consider	Suggested Enhancements for consideration	Stakeholders	6	21	(Consider how future internal audit activity may demonstrate appropriate consideration of other stakeholder expectations:) 2. When identifying Management Objectives in future audits.	2010	Improve 'golden thread' from Service planning to RR (& changes) to Management Objectives through to strategic and yearly operational plan	31/03/25

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