

PLANNING

The Audit Plan sets the proposed audit coverage, based on a risk assessment. The plan is approved by Audit Committee and shared with Directors.

Auditors are allocated audit engagements from the plan. They research the audit area and meet the client to understand relevant strategies, objectives and risks. A risk assessment informs the audit objectives and approach.

Control Stage 1 (Audit Planning) – The risk assessment is reviewed by a member of the audit management team, and used to develop the audit terms of reference (TOR)

The TOR is issued: it sets out the area/s under review, the objectives, approach and records required. The TOR is sent to the relevant management (Line Management, OM (and Director, where appropriate)). The audit fieldwork will commence as set out in the TOR.

NB – For consultancy services, the guidance / support is planned with management directly, with the objectives documented for significant engagements. There will be regular dialogue with the reviewing manager throughout the audit, but only formal control stage 4 will apply (Post Audit Review).

FIELDWORK

Audit visits are normally pre-arranged to help minimise disruption. Any significant issues will be raised as soon as they are identified. The main findings will be discussed at the end of the visit or shortly afterwards.

Control Stage 2 (Audit Fieldwork) – An audit ‘pit-stop’ is held with the senior team member mid-way through the audit as a quality assurance and progress check. A full quality assurance review is completed once fieldwork is completed and the draft audit opinion, output and recommendations are prepared.

Once fieldwork completed and a review undertaken, a decision will be made whether to issue a formal Report or an Action Plan. depending on the overall ‘Audit Opinion’.

REPORTING

The audit output prepared depends on the audit opinion:

- o An Action Plan – For *Effective* or *Effective with Opportunity for Improvement* audit opinions (where recommendations are raised);
- o A Report and Action Plan – for *Insufficient with Major Improvement* or *Unsatisfactory* audit opinions.

Control Stage 3 (Audit Reporting) – Where the audit opinion is *Insufficient with Major Improvement* or *Unsatisfactory*, the draft report will be considered by the Audit Management Team prior to being issued.

Draft Reports / Action Plans are discussed with Client Manager and comments considered in any Final Report / Action Plan. Management responses to audit recommendations are recorded in the Action Plan.

Final report or Action Plan issued to the Director, OM/Line Manager and an opportunity to discuss the report or provide comments is provided. Any recommendations not agreed are referred to the Director for consideration.

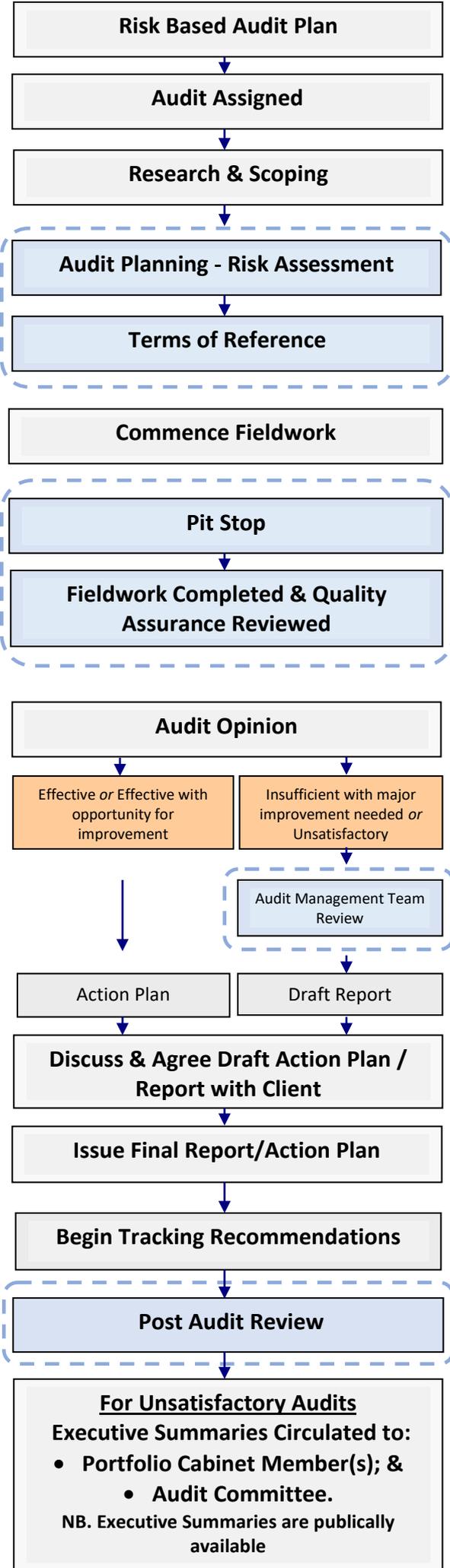
Control Stage 4 (Post Audit Review) – Upon conclusion of each audit, the auditor, and a senior team member review the auditor’s performance. A client satisfaction survey is used to identify the audit delivery and value from the client’s perspective. Development needs are progressed.

The Audit Manager reports the summary findings of *Insufficient* and *Unsatisfactory* reports to the Chief Executive and the Audit Committee. For all *Unsatisfactory* reports, an Executive Summary is prepared, discussed with the Chief Executive and Section 151 Officer, and reported to the relevant Portfolio Cabinet Member(s) and the Audit Committee.

RESPONSE

Recommendations are added to the ‘Recommendation Tracker’ in SharePoint, through which management provide progress updates and, for ‘red’ or ‘red/amber’ actions, also submit evidence of delivery. The recommendation tracker is reported to each Audit Committee meeting, and discussed in Director Relationship Manager Meetings.

All Unsatisfactory Audit Opinion Reports will be scheduled for an audit follow-up six months after the audit conclusion.



Risk Based Audit Plan

Audit Assigned

Research & Scoping

Audit Planning - Risk Assessment

Terms of Reference

Commence Fieldwork

Pit Stop

Fieldwork Completed & Quality Assurance Reviewed

Audit Opinion

Effective or Effective with opportunity for improvement

Insufficient with major improvement needed or Unsatisfactory

Audit Management Team Review

Action Plan

Draft Report

Discuss & Agree Draft Action Plan / Report with Client

Issue Final Report/Action Plan

Begin Tracking Recommendations

Post Audit Review

For Unsatisfactory Audits

Executive Summaries Circulated to:

- **Portfolio Cabinet Member(s); &**
- **Audit Committee.**

NB. Executive Summaries are publically available