

# Audit Committee

29<sup>th</sup> March 2018



**Report of:** Interim Chief Internal Auditor

**Title:** Results of Peer Review of Internal Audit

**Ward:** City-Wide

**Officer Presenting Report:** Jonathan Idle - Interim Chief Internal Auditor

## Recommendations

That the Committee:

1. Note the Council's Internal Audit Service "Generally Conforms" to the requirements of the Public Sector Internal Audit Standards (PSIAS).
2. Request progress updates on the implementation of the recommendations from the Peer Review.

## Summary

The Internal Audit Service has been externally reviewed against the PSIAS in line with professional requirements. The assessment concluded that Bristol City Council's Internal Audit Service "Generally Conforms" with the requirements of the Standards.

## The significant issues in the report are:

- Of 342 Standards, it was concluded that the service fully conforms with 84% and fully/ partially conforms with 98%, which is broadly positive.
- An Action Plan has been agreed to address the recommendations identified from the Review.



## **Policy**

The external review of the Internal Audit function once every five years is a requirement of the Public Sector Internal Audit Standards (PSIAS) which are mandatory for the Internal Audit service within Bristol City Council.

## **Consultation**

### **1. Internal**

Interim Chief Internal Auditor, S151 officer, Statutory and Policy Board, Cabinet member for Finance, Governance & Performance, Audit Committee.

### **2. External**

Head of Internal Audit – Sheffield City Council (author of Peer Review report).

### **3. Context**

In April 2013, a new set of Public Sector Internal Audit Standards (PSIAS) became effective. These standards apply to the Internal Audit function in all parts of the public sector in the UK and are mandatory. Within the PSIAS there is a requirement for an independent external review of the internal audit function once every five years. In order to address this requirement, the Core Cities Chief Internal Auditors Group set up a peer review process, managed by the constituent members, to provide the external reviews.

The purpose of the external review, is to establish compliance with the PSIAS, ensure that governance is embedded within the service and identify areas where further improvement is required, thereby ensuring that the service is fit for purpose and free from any influencing factors which may impact on its independence.

The Terms of Reference for the review were agreed by the Audit Committee in July 2017 and it was agreed that the Chair of the Audit Committee be the sponsor of the review.

### **4. Peer Review Process**

The Peer Review was undertaken by the Chief Internal Auditor from Sheffield City Council, who meets the PSIAS requirements for an external reviewer. The process undertaken encapsulated the following three stages:

- Pre-review – whereby the Audit service completed an evidenced self-assessment and submitted it to the reviewing authority.
- Onsite Review – whereby the independent reviewer spent time with the audit service, review documentary evidence and interviewing key stakeholders.
- Post-review- whereby the reviewer evaluated the evidence collated and prepared a report accordingly.

The review commenced in November 2017 and the final report with agreed actions to recommendations was received in February 2018.

## 5. Conclusions and Key Findings from the Peer Review

The Peer Review, as set out in Appendix A, concluded that “*BCC’s Internal Audit Service **Generally Conforms** with the requirements of the Public Sector Internal Audit Standards.*”

The Internal Audit Service was assessed against 342 Standards, of which the reported outcome was:

- 84% Fully Conformed
- 98% Fully / Partially Conformed

Areas were identified for improvement and the key themes are summarised as:

- The role of Internal Audit in the Council’s Risk Management process and its impact upon independence (Recommendations 1 & 16).
- Training and Appraisals ( Recommendations 5-9 & 11).
- Working Papers (Recommendations 18 & 21).
- Reporting Format (Recommendations 2 & 24).
- Other Processes (Recommendations 13 & 19).

The Peer Review has identified 28 recommendations, which if implemented, would further increase the level of conformity with the PSIAS and enhance the service. The relevant Peer Review observations, recommendations and BCC Internal Audit Management responses are set out in the final section of the report at Appendix A.

Actions have been agreed for all recommendations with planned implementation as follows:

- 50% by March 2018.
- 75% by June 2018.
- 96% by November 2018.

## 6. **Development Plan**

A Development Plan was prepared for the Internal Audit Service in September 2017 by the Interim Chief Internal Auditor. The Peer Review identified several similar themes to those incorporated within the Development Plan and the latter focused upon improvement activities in the following areas:

- Audit Committee Effectiveness
- Audit Processes
- Audit Reports
- Business Development
- Counter Fraud
- Coverage
- Culture
- Follow Up Process
- Governance
- Performance Monitoring
- Profile
- Quality
- Risk Management
- Skills Mix review of Section
- Training Needs
- Working Agile

Actions required as part of the Peer Review will take precedence but will be implemented in conjunction with priorities identified in the Development Plan. Consequently, the subsequent reporting, to the Audit Committee, of progress in the implementation of the recommendations for the Peer Review will be consolidated with the actions required in the Development Plan.

## 7. **Proposal**

That the Committee:

- a) Note the Council's Internal Audit Service generally conforms to the requirements of the Public Sector Internal Standards.
- b) Request progress updates on the implementation of the recommendations from the Peer Review.

## 8. **Other Options Considered – N/A**

## 9. **Risk Assessment –N/A**

### **Public Sector Equality Duties**

- 10a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
  - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
    - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
    - tackle prejudice; and
    - promote understanding.
- 10b) No equalities assessment necessary for this report.

### **Legal and Resource Implications:**

**Legal - N/A**  
**Financial – N/A**  
**Land – N/A**  
**Personnel – N/A**

### **Appendices:**

- **Appendix A – Bristol City Council PSIAS Peer Review Final Report February 2018**

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

#### **Background Papers:**

- Public Sector Internal Audit Standards
- Local Government Application Note for UK Public Sector



# **Sheffield City Council**

## **Finance & Commercial Services**

### **Internal Audit**

Bristol City Council PSIAS  
Peer Review

### **Final Report**

**15th February 2018**

## Audit Information

Auditors responsible for the review:

Senior Finance Manager	Kayleigh Inman
------------------------	----------------

Report distribution:

For Action	Jonathan Idle, Interim Chief Internal Auditor Melanie Henchy-McCarthy, Head of Internal Audit (J/S) Alison Mullis, Head of Internal Audit (J/S)
For Information	Denise Murray, Strategic Director of Finance, S151 Officer. Audit Committee, Bristol City Council

## Freedom of Information Disclosure

Before responding to any request under the Freedom of Information to make this report publicly available please consult the Senior Finance Manager named above as it may contain exempt information.

## Independence

Public Sector Internal Audit Standard 1100 directs we must always act with independence and objectivity. We must disclose any threats to that independence, in fact or appearance, and how we have managed them in completing our work.

We have no matters to report in connection with this audit review.

## Declaration

I, Kayleigh Inman confirm that I am a CCAB qualified accountant, and have over 18 years audit experience, including 5 years as the Senior Finance Manager, Internal Audit. This experience has been gained in local government and I currently undertake the role of Chief Audit Executive for Sheffield City Council. I confirm that I have no conflict of interest in performing this assessment of Bristol City Council's Internal Audit Service; I am not a part of, or under the control of Bristol City Council.

## **Assessment Details**

### **1. Introduction and Background**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) came into force from 1<sup>st</sup> April 2013 (updated March 2016). The Standards apply the Institute of Internal Auditors (IIA) International Standards to the UK public sector and are mandatory. The objectives of the PSIAS are to:
- Define the nature of internal auditing within the UK public sector
  - Set basic principles for carrying out internal audit in the UK public sector
  - Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations, and
  - Establish the basis for the evaluation of internal audit performance and to drive improvement planning.
- 1.2 The PSIAS include a definition of Internal Auditing, a Code of Ethics and eleven specific standards. The PSIAS introduced a requirement for an external assessment of an organisation's internal audit function, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation.
- 1.3 The Core Cities Internal Auditor Group developed a Terms of Reference that outlined the methodology for the external assessments. The Terms of Reference were approved by the Audit Committee at Bristol City Council (BCC) on the 20<sup>th</sup> July 2017.

### **2. Approach/Methodology**

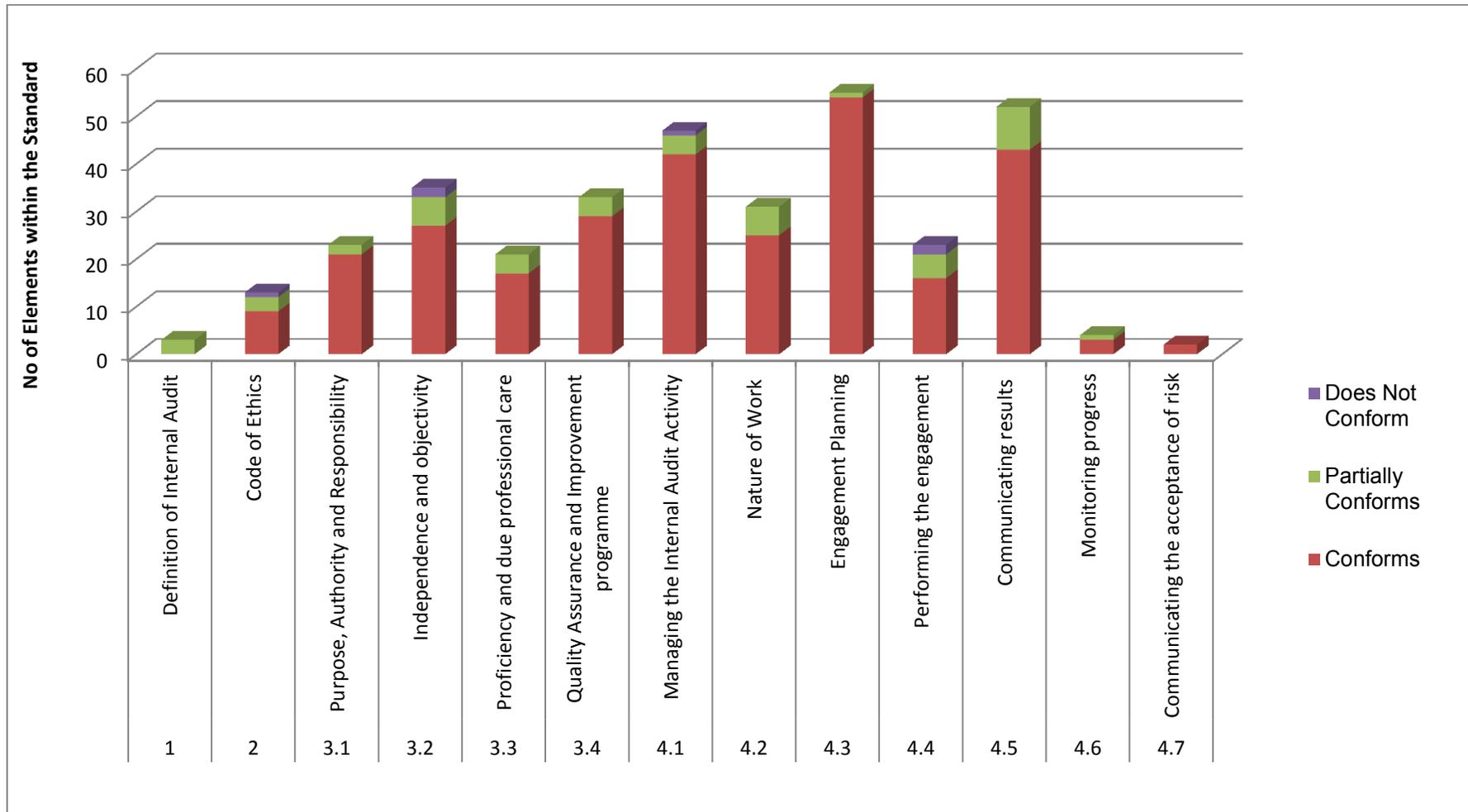
- 2.1 A self-assessment has been completed by the Heads of Internal Audit, and the Chief Internal Auditor at BCC. The self-assessment, together with the documentation that supported the responses, have been assessed and evaluated by the external reviewer.
- 2.2 An on-site visit was then conducted and meetings were held with:
- Denise Murray, S151 Officer
  - Cllr Jos Clark, Chair of the Audit Committee
  - Jonathan Idle, Interim Chief Internal Auditor and
  - Melanie Henchy-McCarthy and Alison Mullis, Heads of Internal Audit
- 2.3 A sample of audit engagements was also reviewed during the visit.

### 3. Executive Summary

- 3.1 This assessment concludes that Bristol City Council's Internal Audit Service **Generally Conforms** with the requirements of the Public Sector Internal Audit Standards.
- 3.2 Generally Conforms means the assessor has concluded that the relevant structures, policies, and procedures of the activity are largely in place to comply with the requirements of the individual Standards or element of the Code of Ethics, however their application in some areas is inconsistent.
- 3.3 In drawing this conclusion, it is important to provide some context of the environment in which the Internal Audit team are working. Bristol City Council has experienced considerable instability over recent years. Turnover within the senior leadership team has been significant, with 3 officers holding the role of Section 151 officer over the past 4 years. In addition the Chief Executive position was vacant at the time of the review and was being covered by 3 officers.
- 3.4 A budget deficit of £29m was forecast for the 16/17 financial year, with a final outturn position being a £10.5m overspend. As a result of this, an independent review was commissioned by the LGA to identify the causes for the 2016/17 forecast budget deficit, which made recommendations for improvement in financial management and reporting to promote better transparency and accountability.
- 3.5 Furthermore, vacancies had been frozen and there was a shortfall of Internal Audit staff and management at a time when in addition to the delivery of the Audit Plan, there was an expectation to still deliver on the AGS and on Risk Management responsibilities.
- 3.6 In November 2016, a new S151 officer was appointed. In order to ensure the ongoing provision of assurances from the Internal Audit service, additional resources were introduced, with an interim Chief Internal Auditor being tasked with implementing an improvement plan to strengthen the service.
- 3.7 It was clear from the on-site visit and interviews conducted that over the past 9-12 months, the position of the Internal Audit service has been strengthened and visibility within the Council has improved significantly, as have reporting arrangements through to senior managers.
- 3.8 It is recognised that this improvement journey is ongoing, and implementation of the recommendations made within this report should contribute further to a successful internal audit function.

## Summary of the Standard

- 3.9 Of the 349 questions within the PSIAS Local Government Application Note (LGAN), the Internal Audit service fully conforms in 288 areas, partially conforms in 48 areas and does not conform in six areas. Seven questions were assessed as being not applicable. In common with the other core cities' assessments, some of the areas of non-conformance are generally accepted practice. Other areas of non-conformance relate to the application of procedures particularly around performing audit assignments.
- 3.10 The majority of the areas of non and partial conformance detailed within this report had already been identified by the service and documented in their self-assessment. Details are included in the action plan attached, alongside the additional findings from this review and recommendations that may further develop and enhance the operation of the Internal Audit section.
- 3.11 The areas of non-conformance and the impact of these should be reported to senior management and the Audit Committee together with the action plan as a result of this external assessment. The summary of the assessment is detailed in the table overleaf.



	Definition	Code of Conduct	Attribute Standards				Performance Standards						
Ref	1	2	3.1	3.2	3.3	3.4	4.1	4.2	4.3	4.4	4.5	4.6	4.7
<b>Partially Conforms</b>	1.1a	2.2c	3.1.3i	3.2.3c	3.3.5	3.4.7a	4.1.30	4.2.2	4.3.29	4.4.3	4.5.7	4.6.1	
	1.1b	2.4b	3.1.3m	3.2.6	3.3.9	3.4.8	4.1.31	4.2.8a		4.4.5	4.5.10		
	1.2	2.4c		3.2.7a	3.3.13	3.4.9	4.1.32	4.2.8b		4.4.6	4.5.11		
				3.2.7c	3.3.14	3.4.10	4.1.36	4.2.8c		4.4.10	4.5.14a		
				3.2.8c				4.2.8d		4.4.12	4.5.14g		
			3.2.17				4.2.13			4.5.14f			
										4.5.28h			
										4.5.28i			
										4.5.28j			
<b>Does not conform</b>		2.2a		3.2.9 3.2.10			4.1.34	-		4.4.7 4.4.13			
<b>n/a</b>							4.1.40		4.2.20 4.2.21 4.2.23		4.5.20a 4.5.20b 4.5.20c		

## 4. Detailed Findings

### 4.1 Definition and Code of Ethics (ref 1 and 2)

- 4.1.1 Conformance with the Definition and Code of Ethics is assessed based on evidence gained from assessing conformance with all other elements of the Standards. The Definition section considers the overall independence and objectivity of the service, whilst the Code of Ethics considers the principles which govern how internal auditors should work.
- 4.1.2 It was established that the Internal Audit service has responsibility for risk management, the production of the Annual Governance Statement and specific health and safety duties for the Finance Service, and so consideration was given to their independence and objectivity as per standard 1.1a and b and 2.2a, b and c.
- 4.1.3 With reference to the AGS, the statement is produced based upon returns submitted by 1<sup>st</sup> to 3<sup>rd</sup> tier managers from across the Council. Compilation of the returns into an Annual Governance Statement is the responsibility of the Internal Audit service. This role is an oversight and challenge role and a similar approach to the AGS production is not uncommon in other core city authorities particularly as resources diminish. It is therefore agreed that this represents a partial conformance with requirements of the standard.
- 4.1.4 In relation to risk management, interviews held during the site visit, along with responses in the self-assessment established that whilst internal audit management had envisaged fulfilling the challenge role in the risk management process, the team have in fact taken on more of the facilitative role, and summarised that without their drive, risk management practices would not embed in the Council.
- 4.1.5 The role of the team in risk management means that they are not complying with a number of the elements of the PSIAS, which require internal audit to be free of management responsibilities that may impair or presume to impair their unbiased assessment (standard 2.2a). It should be noted that the role of the team on Risk Management has been raised both with management and the Audit Committee and this non-compliance with professional standards has been accepted by both.
- 4.1.6 As part of the self-assessment, management stated that a review of Internal Audit responsibilities was in progress, whereby risk management and governance may be re-allocated outside of the service leaving it free from conflict and able to provide the challenge. It is recommended that this review be completed and adequate safeguards introduced to remove any impairment to the independence of the Internal Audit team.
- 4.1.7 Standard 1.1b requires the Internal Audit service to be objective and free from any undue influence. The self-assessment has identified historical issues, largely linked to the fluidity of the organisation, which restricted the reporting arrangements of the service. It was confirmed that in the past 9 months, significant improvements have been made, specifically relating to the reporting arrangements and visibility of the service at senior management level. In conducting this peer review, it is recognised that this is a historical issue and adequate steps have been taken to address this in recent months.

- 4.1.8 A further area of partial compliance in this section of the standard relates to 2.4b and c which considers competency in performing services in accordance with the PSIAS standards and continually improving proficiency, effectiveness and quality. Appraisals have been undertaken for the auditors within the team; however the Heads of Internal Audit have not had an appraisal for a number of years. Additionally, whilst training/learning needs have been identified, there is no team training and development plan and it was acknowledged that due to resource constraints, budgets for training are restricted.
- 4.1.9 The final area of self-declared partial conformance (1.2), relates to the overall assessment of the systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes within the organisation. It is agreed that as a result of testing for other elements of the standard that the overall conclusion of partial conformance is valid. The internal audit service is not independent of the risk management process and there were areas of non-compliance identified with service processes relating to performing the audit engagements. This will be explained more fully in the Attribute and Performance Standards section of the report.
- 4.1.10 Notwithstanding the above, there are appropriate arrangements in place to ensure that the section demonstrates integrity and confidentiality and that auditors and internal audit management have regard to the Seven Principles of Public Life.

## 4.2 Attribute Standards

### **Standard 1000: Purpose, Authority and Responsibility (ref 3.1)**

- 4.2.1 This section relates to the Internal Audit Charter and the conclusion reached is that the Charter substantially meets the key elements of the standard in terms of outlining the purpose, authority and responsibility of the team.
- 4.2.2 Standard ref 3.1.3i and 3.1.3m have however been revised to partial conformance. These sections relate to the independence of the Internal Audit team and the arrangements in place to avoid conflicts of interest if internal audit undertakes non-audit activities. It is acknowledged that the Internal Audit Charter outlines the role of the team in risk management. It also states that a safeguard to counterbalance this role would be the commissioning of periodic reviews over risk management from an independent external third party. To date these reviews have not been undertaken as management have taken a pragmatic view not to commission another organisation to outline weaknesses with the risk management arrangements that are already known. It should be noted that Internal Audit have concluded and reported critically to the Audit Committee on risk management arrangements.

### **Standard 1100 Independence and Objectivity (ref 3.2)**

- 4.2.3 The self-assessment identified seven areas of partial-conformance with this area of the standard. As described, most of these relate to the functional independence from involvement in non-audit activities (3.2.3c, 3.2.6, 3.2.7a, 3.2.7c).

- 4.2.4 It was identified that the Audit Committee does not approve the Internal Audit budget, as required by the standard (3.2.8c). As is common amongst core city authorities, their budget is approved as part of the normal Council budget setting procedures. The Audit Committee does approve the annual plan, which outlines how staffing resources will be utilised across the assurance, counter-fraud and risk themes.
- 4.2.5 A further partial conformance related to the periodical rotation of assurance assignments (3.2.17). Management stated that assignment rotation is naturally occurring as there has been continual movement in staffing in the service; however no formal staff rotation policy is in place.
- 4.2.6 The non-conformance in this standard relates to HR arrangements regarding the appraisal of the officer undertaking the role of the CAE. The expectation of the standard is that the Chief Executive and Audit Committee contribute to these HR processes (3.2.9 and 3.2.10). It was noted in the self-assessment that the Heads of Internal Audit have not had an appraisal for a number of years.
- 4.2.7 The review confirmed that the Chief Internal Auditor has direct and unrestricted access to senior management and the Audit Committee as required by the standards, and that this access and visibility has significantly improved over the past 9 months.

### **Standard 1200 Proficiency and Due Professional Care (ref 3.3)**

- 4.2.8 A self-declare partial conformance within this section related to the collective possession of the required skills, knowledge and other competencies required to perform responsibilities (3.3.5) and specifically referenced knowledge of appropriate computer-assisted audit techniques (3.3.9).
- 4.2.9 Internal Auditors have an annual and mid-year appraisal, which includes the discussion of areas for staff development. Objectives for the 17/18 financial year have not been set however due to a wider review of the approach to performance management across the Council. Areas of training are discussed during one to one meetings with Audit Managers. There is no formal training and development plan for the whole team as a corporate refresh of the training strategy is being undertaken (ref 3.3.13 and 3.3.14). The completion of a skills review for the team is included in the Improvement Plan.

### **Standard 1300 Quality Assurance and Improvement Programme (QAIP) and 1320 Reporting on the QAIP (ref 3.4)**

- 4.2.10 The standards require that a QAIP is developed that covers all aspects of the internal audit activity and enables conformance with the PSIAS to be evaluated. Evaluation against the PSIAS should be undertaken through internal and external assessments.
- 4.2.11 The refreshed QAIP for Internal Audit was submitted to the Audit Committee in November 2017 and sets out how the section demonstrates that it performs its work in line with the PSIAS. Internal assessments at BCC include ongoing supervision and monitoring as well as periodic self-assessments of conformance using the LGAN.

- 4.2.12 The service did not identify any non-conformances in this area of the standard; however testing conducted during the site visit highlighted that compliance with routine quality monitoring processes (standard 3.4.7a) was not consistently demonstrated. This is further explained in performance standards 4.4 and 4.5 below, but represents a considerable issue in terms of demonstrating consistent adherence to the standards.
- 4.2.13 It was further identified that, whilst performance monitoring is undertaken (standard 3.4.8, 3.4.9 and 3.4.10), the Chief Internal Auditor confirmed that the current suite of PI's were outdated and needed refreshing. As a result standard 3.4.8 and 3.4.9 have been changed to partial-conformances.

### 4.3 Performance Standards

#### **Standard 2000 Managing the internal audit activity (ref 4.1)**

- 4.3.1 Whilst it is recognised that there was an agreed approach to guide staff in performing their internal audit duties, this was not fully documented in a policies and procedures manual. The service acknowledged this in their self-assessment as a partial conformance (4.1.30 – 4.1.32).
- 4.3.2 The standards require that an assurance mapping exercise is undertaken as part of identifying and determining the approach to using other sources of assurance (4.1.34). The Heads of Internal Audit confirmed that steps to develop an assurance mapping process have not progressed in BCC and so this element was assessed as a non-conformance. This development is included on the service improvement plan.
- 4.3.3 Although the absence of assurance maps presents a risk that there may be gaps or duplication in assurance coverage across the Council, this review confirmed that Internal Audit has worked in a risk-based manner to develop their audit coverage (4.1.7 and 4.1.33). The section had developed a 'reasonable assurance' model with the West of England Audit Group, which takes into account the corporate and portfolio risk registers, the views of stakeholders and other key sources of information to assist in the production of the risk-based plan. The methodology is included in the Annual Plan which was approved by the Audit Committee in March 2017.
- 4.3.4 The Chief Internal Auditor identified that liaison between internal and external audit was very limited (4.1.36). It is acknowledged that the External Auditors do attend the Audit Committee meetings and so are updated on the planned work of the team, however regular liaison meetings do not occur. It is anticipated that these will be reinstated when the new EA providers are engaged.
- 4.3.5 Standard ref 4.1.40 was not applicable to the BCC Internal Audit service as this relates to occasions where internal audit is provided by an external provider.

#### **Standard 2100 Nature of the work (ref 4.2)**

- 4.3.6 Regular monitoring reports are provided to management; however the Head of Internal Audit confirmed that the current programme of follow-up work is behind schedule due to resource constraints. This element of the standard has therefore been changed to a partial conformance (4.2.2).

- 4.3.7 The partial compliance identified in this element again relates to the role in facilitating risk management and corporate governance (standard 4.2.8a-d and 4.2.13).

**Standard 2200 Engagement Planning (ref 4.3)**

- 4.3.8 Terms of Reference are prepared for each audit and must be agreed by an Audit Manager. The quality review process does not required Audit Managers to document a review of the Terms of Reference (by way of a review point) however it was stated that the managers are responsible for issue and so this was deemed by the service to demonstrate approval (4.3.29). This element has subsequently been changed to a partial conformance as the working paper file itself did not contain evidence that the managers had approved and/or issued the Terms of Reference. The Terms of Reference include the objectives, the scope of the audit, the days available and timescales for completing the work, together with an assessment of the risks relevant to the review area.
- 4.3.9 Three questions were deemed to be 'not applicable' in this element, all of which related to consultancy services arising from assurance engagements (4.2.20-21, 4.2.23).

**Standard 2300 Performing the Engagement (ref 4.4)**

- 4.3.10 This element of the PSIAS seeks to ensure that appropriate information is identified, analysed and evaluated and that the documentation of results is sufficient to support the conclusions reached in every audit engagement. The aim is to ensure that working papers are sufficiently complete and detailed to enable another experienced internal auditor with no previous connection with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached. As a result of testing undertaken during the site visit, 4.4.7 has been changed to a non-conformance.
- 4.3.11 A sample of audit engagements were reviewed during the site visit and it was established that compliance with agreed processes for documenting the tests undertaken, the findings and conclusions were not consistently applied. (4.4.3, 4.4.5-4.4.6). From a review of four audit assignments, there was insufficient detail within the working papers to fully demonstrate that conclusions within the report had been based on sufficient analysis and evaluation.
- 4.3.12 In addition, the working paper which should be completed to demonstrate the supervision and review by an audit manager was not always completed. The quality review process should ensure that all working papers are suitably completed to document the testing undertaken. Where working papers are not sufficient, the expectation would be that this is addressed between the auditor and the audit manager prior to the final sign-off of the audit report. This was not evident in assignment files reviewed during the site visit. As a result of this standard ref 4.4.12 has been changed to a partial conformance and 4.4.13 is assessed as a non-conformance.
- 4.3.13 Further, during testing an issue was identified in the methodology used to file and store audit assignment working papers (4.4.10). For 2 files sampled, the Head of Internal Audit was unable to immediately locate the working paper file and had to contact the auditor who had performed the review for assistance.

### **Standard 2400 Communicating Results (ref 4.5)**

- 4.3.14 Following the conclusions reached in the Performing the Engagement section of the standard, there are some knock-on effects on the assessed compliance with this element of the PSIAS, particularly 4.5.7, 4.5.10 and 4.5.14a & f which require that opinions and conclusions reached are supported by sufficient, reliable, relevant and useful information, and that all material facts are disclosed. Whilst testing did not identify material omissions, the lack of consistency with working paper completion and quality review processes increases the risk that this may occur.
- 4.3.15 A further self-declared partial conformance relates to the timeliness in which communications are issued (4.5.14g). Management acknowledged that this had been influenced by the fluidity of the organisation.
- 4.3.16 The standards encourage internal auditors to acknowledge satisfactory performance in engagement communications (standard 4.5.11) in addition to highlighting areas for improvement. Audit reporting at Bristol City Council is on an exceptions basis and therefore does not include detail on areas where good performance has been identified during the audit. This approach is also adopted at Sheffield City Council, and other core city authorities.
- 4.3.17 Standard ref 4.5.28 relates to the annual report produced by internal audit. A self-declared report point was identified regarding the inclusion of progress with the improvement plans in the annual report. Further partial conformances have been noted with regard to reporting the results of the QAIP and the PI's for the section, which are in need of a refresh (4.5.28h-j).
- 4.3.18 Three elements of this standard (4.5.20a-c) were deemed to be not applicable as they relate to the issuing of communications to parties outside of the organisation.

### **Standard 2500 – Monitoring Progress (ref 4.6)**

- 4.3.19 A new monitoring process has been devised to follow up management actions, which conforms to the PSIAS requirements. The Head of Internal Audit confirmed however that the follow-up programme of work is behind schedule due to resourcing constraints, and so the assessment has been changed to a partial conformance (4.6.1). Follow up of recommendations is key to ensure that agreed improvements in controls and processes are implemented.

### **Standard 2600 – Communicating the Acceptance of Risks (ref 4.7)**

- 4.3.20 The Audit Committee is provided with an Activity Monitoring Report at each meeting which outlines progress in completing the annual plan together with the results of the audits that have been completed – which includes the opinion, progress with follow-up and any other issues preventing the audit team progressing their work plan. Compliance to this element of the standard is therefore agreed.

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
<b>1000 Purpose, Authority, Responsibility</b>				
<p><b>3.1.3i</b></p> <p><b>3.1.3m</b></p>	<p>Whilst the Internal Audit Charter acknowledged that the team was not organisationally independent and safeguards were described that would go some way to mitigate any perceived or actual conflict of interest, testing confirmed that to date there have been no independent assurance reviews of risk management commissioned.</p>	<p><b>Recommendation 1:</b></p> <p>It was stated that the role of IA with regards to risk management and governance was being considered with a view to the responsibility being moved out of Internal Audit leaving it free to provide scrutiny and challenge as appropriate.</p> <p>It is recommended that this review be concluded and the safeguards required to maintain the independence of the service be embedded.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 29.03.18</p> <p><b>Management Comments:</b></p> <p>Internal Audit had identified this as a concern and raised it with Council management and the Audit Committee. Internal Audit will withdraw from the facilitative role it has been undertaking in respect of Risk Management and this will also be explicitly set out in the Internal Audit Plan for 2018/19 presented to the Audit Committee on 29.03.18.</p> <p>In respect of the role undertaken in the compilation of the Council’s Annual Governance Statement on behalf of Council Management, the Head of Paid Service and the Mayor, in the absence of alternative provision, experience and expertise within the Council, Internal Audit will continue to undertake this core Council activity.</p> <p>In relation to the Health and Safety responsibilities undertaken on behalf of the Finance Department, the involvement of Internal Audit management to support its host Directorate will be reviewed with the Executive Director, Resources.</p>

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
<b>1100 Independence and Objectivity</b>				
<p><b>3.2.3c</b></p> <p><b>3.2.17</b></p>	<p>Threats to objectivity at a functional level were identified because of the role of Internal Audit in risk management and governance (see above).</p> <p>It was further noted that the periodical rotation of assurance assignments between staff was naturally occurring as there had been continual movement in staffing in the service; however no formal staff rotation policy was in place.</p>	<p><b>Recommendation 2:</b> As recommended above, safeguards should be developed and embedded to maintain functional independence.</p> <p>For specific audit assignment an independence statement should be included within the Terms of Reference and Draft and Final reports to confirm there is no conflict of interest for the auditor performing the review.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 22.02.18</p> <p><b>Management Comments:</b> An Independence Statement will be incorporated into Term of Reference and Report templates.</p>
<p><b>3.2.6</b></p> <p><b>3.2.7a</b></p> <p><b>3.2.7c</b></p>	<p>The CAE is at a 3rd Tier - Head of Service level which can impact on the influence they have on the rest of the organisation.</p> <p>In practice, however, the Chief Internal Auditor regularly attends Leadership Team meetings and provides constructive challenge.</p>	<p><b>Recommendation 3:</b> The position of the CAE would be enhanced by the formalisation of Internal Audit attendance at SLT/DLT etc.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> Complete</p> <p><b>Management Comments:</b> The CAE has regular attendance at Directorate Leadership Teams and Corporate Leadership Board, which will continue.</p>



Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
<b>1200 Proficiency and Due Professional Care</b>				
3.3.5	A draft Training Strategy for the Finance Service has been produced which focusses on professional qualifications only. A skills review within Internal Audit is to be undertaken by the Chief Internal Auditor as part of the Improvement Plan to ensure the service has the correct skills, knowledge and competence to perform its responsibilities.	<b>Recommendation 6:</b> As outlined in the Improvement Plan, the skills review should be undertaken by the Chief Internal Auditor.	Partial conformance	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 30.07.18</p> <p><b>Management Comments:</b></p> <p>The Skills Review is in progress with the intention of identifying how gaps in skills and knowledge will be addressed.</p>
3.3.9	All auditors do not currently have sufficient knowledge of computer assisted audit techniques. This has arisen as experienced staff have left the services.	<b>Recommendation 7:</b> Identified as part of self-assessment. Training in this area is planned, and should be rolled out as appropriate.	Partial conformance	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 30.11.18</p> <p><b>Management Comments:</b></p> <p>Computer assisted audit training (CAAT) is ongoing within the team , for example in data analytics, but requires acceleration and the identification of specific CAAT training needs will be prioritised in April 2018 and training requirements will be submitted to the Council’s Training Evaluation Panel for approval with the intention of rolling out across 2018/19.</p>

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
3.3.13	Whilst internal auditors have had an annual appraisal and mid-year review, objectives and targets for the 17/18 financial year were not established.	<b>Recommendation 8:</b> Identified as part of the self-assessment. Targets should be established for the all auditors going forward. Performance against targets should be monitored throughout the year.	Partial conformance	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 30.04.18</p> <p><b>Management Comments:</b></p> <p>“Business as Usual” targets were set and monitored for the section as a whole in 2017/18 but, more generally, the effectiveness of the section’s performance management arrangements was impacted by a corporate review of strategic objectives and business planning with implications for the setting of team and individual objectives.</p> <p>Team and individual targets will be set for all auditors and monitored on an ongoing basis in 2018/19.</p>
3.3.14	Professionally qualified staff are responsible for meeting their own professional body requirements. A Training Strategy for the team is not in place.	<b>Recommendation 9:</b> Following the outcome of the Skills Review and the establishment of performance targets, a training strategy should be formulated to guide the future development of the team.	Partial conformance	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 30.07.18</p> <p><b>Management Comments:</b></p> <p>The Training Strategy will be completed incorporating skill needs for all differing roles within the team and differentiate between organisational and professional training expectations.</p>

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
<b>1300 Quality Assurance and Improvement Programme</b>				
3.4.7a	Compliance with routine quality monitoring processes was not consistently demonstrated.	<p><b>Recommendation 10:</b> Consideration should be given to re-introducing the quality control checklist to ensure Audit Managers clearly demonstrate compliance with the review process.</p>	Partial conformance	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 26.02.18</p> <p><b>Management Comments:</b> Quality control has been reviewed with new processes introduced and disseminated to relevant staff. The effectiveness of the new quality processes will be formally reviewed on a quarterly basis by the Chief Internal Auditor.</p>
3.4.8 3.4.9 3.4.10	Whilst performance monitoring was undertaken, the Chief Internal Auditor confirmed that the current suite of PI's were outdated and needed refreshing.	<p><b>Recommendation 11:</b> The performance targets for Internal Audit should be refreshed in line with the wider corporate performance review and in consultation with appropriate parties.</p> <p>Once the performance target refresh has been undertaken, the new suite of PI's should be regularly monitored and reported.</p>	Partial conformance	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 29.03.18</p> <p><b>Management Comments:</b> Refreshed performance targets have been prepared and submitted to the Audit Committee (29.03.18).</p> <p>The targets will be reviewed on a monthly basis and reported to the Audit Committee at least on a half yearly basis. And as per business plan</p>

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
<b>2000 Managing the Internal Audit Activity</b>				
4.1.34	<p>The self-assessment identified a non-conformance in respect of the risk based plan taking into consideration the Council’s assurance framework. It is acknowledged that a number of attempts have been made to develop an assurance framework for the Council but this has not been achieved.</p> <p>The PSIAS requires that an assurance mapping exercise is undertaken as part of identifying and determining the approach to using other sources of assurance.</p>	<p><b>Recommendation 12:</b> Within the Improvement Plan there is an agreed action to progress assurance mapping for the Council.</p> <p>The approach to using other sources of assurance and any work that may be required to place reliance upon those sources should be further developed as part of the assurance mapping exercise.</p>	Non conformance	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 30.11.18</p> <p><b>Management Comments:</b> Assurance mapping will be introduced on a phased basis via:</p> <ul style="list-style-type: none"> <li>a) Incorporation of the approach when undertaking risk based audits on the Corporate Risk Register.</li> <li>b) The piloting of Assurance mapping using the Three Lines of Defence Model with Children’s Services and safeguarding.</li> </ul>
4.1.30 4.1.31 4.1.32	<p>Whilst procedures were agreed to guide the internal audit activity, these were not fully documented in the form of an audit manual and/or use of an electronic management system. This has led to variations in application and thus inconsistencies in areas such as working papers and</p>	<p><b>Recommendation 13:</b> Documented procedures should be developed to guide staff in performing their duties in a manner that conforms to the PSIAS.</p>	Partial conformance	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 30.11.18</p> <p><b>Management Comments:</b> Documented processes will be addresses on a phased</p>

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
	file storage.			basis. Initially, reporting and quality control processes will be documented and communicated to relevant staff by 28.02.18. Processes relating to expected standards and consistency for working papers and file storage will subsequently be documented by the Target Date.
4.1.36	The Chief Internal Auditor identified that liaison between internal and external audit was very limited. It is acknowledged that the External Auditors do attend the audit committee meetings and so are updated on the planned work of the team, however regular liaison meetings do not occur.	<b>Recommendation 14:</b> It is anticipated that these will be reinstated when the new EA providers are engaged.	Partial conformance	<b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor  <b>Target Date:</b> 29.03.18  <b>Management Comments:</b> Engagement with the current External Auditors in relation to Audit Planning for 2018/19 will occur in February / March 2018. The initial engagement with the Council’s new External Auditors will occur in March 2018 and regular liaison meeting dates set.
<b>2100 Nature of the work</b>				
4.2.2	A new approach to following-up audit recommendations has been devised to monitor implementation of high and medium priority recommendations. The Head of Internal Audit acknowledged however that the follow-up programme was behind schedule due to reduced resources.	<b>Recommendation 15:</b> Resources to conduct the new follow-up process should be established, with the results reported to DLT and SLT’s.	Partial conformance	<b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor  <b>Target Date:</b> Complete  <b>Management Comments:</b>  This was a short-term issue only at the time of the Peer Review and resources have been allocated already for the Follow Up Programme.

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
<p><b>4.2.8a-d</b> <b>4.2.13</b></p>	<p>Due to the role of Internal Audit in risk management, it is difficult to assess how the service could evaluate the effectiveness of the organisation’s risk management processes.</p>	<p><b>Recommendation 16:</b> The role of the Internal Audit team in the risk management process should be formally reviewed and appropriate safeguards introduced to protect independence. An option would be the implementation of the proposed external reviews of risk management.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 29.03.18</p> <p><b>Management Comments:</b>  Internal Audit had identified this as a concern and raised it with Council management and the Audit Committee. Internal Audit will withdraw from the facilitative role it has been undertaking in respect of Risk Management and this will also be explicitly set out in the Internal Audit Plan for 2018/19 presented to the Audit Committee on 29.03.18.</p>
<p><b>2200 Engagement Planning</b></p>				
<p><b>4.3.29</b></p>	<p>Testing established that Audit Managers are not required to demonstrate approval of engagement work programmes as part of their quality review, and instead the issuing of the Terms of Reference by the manager was considered sufficient.</p>	<p><b>Recommendation 17:</b> The quality review checklist recommended above should incorporate a requirement for approval of the engagement work programme to be demonstrated.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 26.02.18</p> <p><b>Management Comments:</b>  There has always been management approval of Terms of Reference but this will now be formally incorporated as a process within the Terms of Reference template.</p>

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
<b>2300 Performing the engagement</b>				
<p>4.4.3</p> <p>4.4.5</p> <p>4.4.6</p>	<p>From a review of four audit assignments, there was insufficient detail within the working papers of three assignments to fully demonstrate that conclusions within the reports had been based on sufficient analysis and evaluation.</p>	<p><b>Recommendation 18:</b> Consistent completion of the working papers, particularly the RCES, should be undertaken to ensure that all conclusions within the audit reports are adequately supported by documented testing.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 30.06.18</p> <p><b>Management Comments:</b></p> <p>While working paper processes have been inconsistent, audit reports issued are soundly based and occur after discussion and scrutiny of findings by relevant managers receiving the reports.</p> <p>Expectations and standards for consistent working papers will be communicated to all relevant members of the Audit Team by 28.02.18. This will be reviewed on an audit by audit basis and formally reviewed on a quarterly basis by the Chief Internal Auditor.</p>
<p>4.4.10</p>	<p>The methodology used to file and store audit assignment working papers was not consistently applied. For 2 files sampled, the Head of Internal Audit was unable to immediately locate the working paper file and had to contact the auditor who had performed the review for assistance.</p>	<p><b>Recommendation 19:</b> File storage protocols should be documented and adhered to for all types of engagement record.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b>30.11.18</p> <p><b>Management Comments:</b></p> <p>An immediate action was taken to hyperlink audits on the Audit Plan control record to the relevant file location. In the medium-term, file storage and naming protocols will be reviewed to improve efficiency.</p>

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
4.4.12	The standard requires that all engagements are properly supervised and whilst it was stated that an agreed approach existed, this was not consistently applied. With one of files reviewed, the working papers had not been fully completed and this had not been raised as part of the quality review by the Audit Manager.	<b>Recommendation 20:</b> The approach to undertaking and document the quality review by the Audit Manager should be evaluated to ensure it meets the requirements of the PSIAS. If necessary, the checklist of requirements should be reintroduced.	Partial conformance	<b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor  <b>Target Date:</b> 28.02.18  <b>Management Comments:</b> As per Recommendation 13 above, revised quality review procedures will be introduced by 28.02.18
4.4.7	The review of four audit assignments identified that the working papers for three of these were not sufficiently completed and detailed to enable another experience internal auditor, with no previous connection with the audit, to ascertain what work was performed, to re-perform it and if necessary to support the conclusions reached.	<b>Recommendation 21:</b> As above, consistent completion of the working papers, particularly the RCES, should be undertaken to ensure that all conclusions within the audit reports are adequately supported by documented testing.	Non conformance	<b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor  <b>Target Date:</b> 30.06.18  <b>Management Comments:</b> As stated above, a formal review of the application of quality control reviews will be undertaken by the Chief Internal Auditor on a quarterly basis.

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
4.4.13	The working paper which was in place to demonstrate the supervision and review of an audit engagement by an Audit Manager was not always completed. In addition, the checklist of items that should be checked/reviewed as part of the quality monitoring was no longer in use.	<b>Recommendation 22:</b> As above, the approach to undertaking and document the quality review by the Audit Manager should be evaluated to ensure it meets the requirements of the PSIAS. If necessary, the checklist of requirements should be reintroduced.	Non conformance	<b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor  <b>Target Date:</b> 28.02.18  <b>Management Comments:</b> As per Recommendation 13 above, revised quality review procedures will be introduced by 28.02.18
<b>2400 Communicating the results</b>				
4.5.7 4.5.10 4.5.14a 4.5.14f	As a consequence of the findings identified from the assignment working paper reviews, there is a risk that that reports do not disclose all material facts, or that the opinions are not supported by sufficient, reliable, relevant and useful information. Whilst testing did not identify material omissions, the lack of consistency with working paper completion and quality review processes increases the risk that this may occur.	<b>Recommendation 23:</b> See recommendations above to ensure complete, detailed working papers are maintained.	Partial conformance	<b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor  <b>Target Date:</b> 30.06.18  <b>Management Comments:</b> As stated above, a formal review of the application of quality control reviews will be undertaken by the Chief Internal Auditor on a quarterly basis.

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
4.5.11	<p>Audit reporting at Bristol City Council is by exception. The standards encourage internal auditors to acknowledge satisfactory performance in engagement communications. Interviews with key officers confirmed the audit reports have improved in recent months and further reviews of the report formats are planned as part of the Improvement Plan.</p>	<p><b>Recommendation 24:</b> Identified as part of self-assessment. To be considered as part of the review of report formats.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> Complete</p> <p><b>Management Comments:</b> The new audit report template incorporates the recording of controls and processes which are operating satisfactorily.</p>
4.5.14 g	<p>The self-assessment has identified an area of partial conformance surrounding the timeliness of the audit communications.</p>	<p><b>Recommendation 25:</b> Chief Internal Auditor and Audit Committee to determine any actions arising.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 29.03.18</p> <p><b>Management Comments:</b> A new performance measure will monitor the length of the audit process and this will be measured, monitored and reported to the Audit Committee on at least an half yearly basis.</p>

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
<p><b>4.5.28h</b> <b>4.5.28i</b></p>	<p>The annual internal audit report generally incorporates the requirements of the PSIAS, however the self-assessment identified that the results of the QAIP together with progress against any improvement plans resulting from the QAIP, were not fully covered.</p>	<p><b>Recommendation 26:</b> The annual internal audit report should incorporate the results of the QAIP, together with progress against any improvement plans resulting from the QAIP.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> 24.05.18</p> <p><b>Management Comments:</b> The QAIP was approved by the Audit Committee in November 2017 with the intention that progress be reported within the Annual Internal Audit report for 2017/18.</p>
<p><b>4.5.28j</b></p>	<p>Whilst the annual report included a summary of performance of the internal audit activity against its performance measures and targets, the Chief Internal Auditor has acknowledged that the suite of PI's need to be refreshed.</p>	<p><b>Recommendation 27:</b> Once the refresh of the PI's has been completed (see previous recommendation), the annual report should include a summary of performance against these measures.</p>	<p>Partial conformance</p>	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> May 2019</p> <p><b>Management Comments:</b> The refreshed performance measures will be for 2018/19, which will be presented to the Audit Committee in March 2018 and delivery against the measures will therefore be incorporated into the 2018/19 Annual Report, which will be submitted to the Audit Committee in May / June 2019.</p>

Self Assessment Ref	Observations	Recommendations	Conformance with standard or service improvement	Responsibility, Target Date and Management Comments
<b>2500 Monitoring Progress</b>				
4.6.1	The Head of Internal Audit confirmed that the follow-up programme of work is behind schedule due to resourcing constraints, and so the assessment has been changed to a partial conformance.	<b>Recommendation 28:</b> Plans should be developed to progress the follow-up work programmed.	Partial conformance	<p><b>Responsibility:</b> Jonathan Idle, Interim Chief Internal Auditor</p> <p><b>Target Date:</b> Complete</p> <p><b>Management Comments:</b></p> <p>As per Recommendation 15, this was a short-term issue only at the time of the Peer Review and resources have been allocated already for the Follow Up Programme.</p>