Worcestershire County Council Draft Internal Audit Annual Report 2013/14

Distribution list
Audit and Governance Committee

Contents

1. Background and Scope

Background to this report

1.1. The Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2011 requires the Head of Internal Audit to provide a written report to those charged with governance timed to inform the organisation's Annual Governance Statement (AGS). The purpose of this report is to present our annual opinion of the adequacy and effectiveness of the Council's system of internal control. This report is based upon the work agreed in the annual internal audit plan and conducted during the year.

1.2. Whilst our report is a key element of the assurance framework required to inform the Annual Governance Statement, there are also a number of other sources from which those charged with governance should gain assurance. The level of assurance required from Internal Audit was agreed with the Audit Committee and presented in the annual internal audit plan, with subsequent amendments being reported to the Committee. Our opinion does not supplant responsibility of those charged with governance from forming their own overall opinion on internal controls, governance arrangements, and risk management activities.

1.3. This report covers the period from 1 April 2013 to 31 March 2014.

Acknowledgements

1.4. Internal Audit would like to take this opportunity to thank all staff for their assistance during the year.

2. Our Annual Opinion

Introduction

2.1. Internal Audit is required to provide those charged with governance with an opinion on the overall **adequacy and effectiveness** of the Council's:

- risk management:
- control; and
- governance process

Collectively we refer to all of these activities in this report as "**the system of internal control**".

2.2. Our opinion is based on the audit work performed as set out in our 2013/14 Internal Audit Plan agreed by the Audit and Governance Committee.

Annual opinion on the system of internal control

2.3. It is management's responsibility to develop and maintain a sound system of internal control, and to prevent and detect irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

2.4. We have planned our work so that we had a reasonable expectation of detecting significant control weaknesses. However, internal audit procedures alone, although they are carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.

2.5. Whilst we are satisfied that the overall standard of internal control for the financial year ending 31 March 2014 is performing adequately, our work did offer a number of areas for improvement.

2.6. We have completed the programme of internal audit work for the year ended 31 March 2014, subject to management responses being finalised and agreed for the following draft reports:

> - Open for Business- Partnership Arrangements
> - Joint Commissioning Unit – Contract Management (Residential & Nursing Care)
> - Pension Administration
> - Future Fit-Benefit Realisation
> - Payroll
> - Children's Social Care
> - Commissioning of Out of Area and High Cost Placements (Adults)

2.7. We are liaising with management to finalise these reports.

2.8. There were no areas receiving a 'No Assurance' opinion (2012/13 [1]). There were a number of areas that were 'Limited Assurance' (11) (2012/13 [17]). Management has agreed to implement a number of recommendations that will improve the system of internal control and manage potential risks.
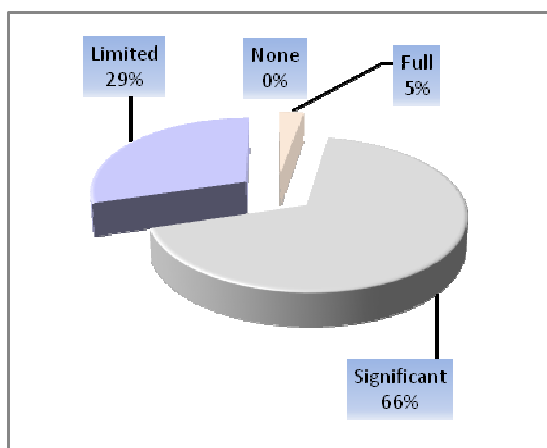
2.9. The Council has further work to do in these areas to address the control weaknesses identified. The issues identified within these areas that have resulted in our Limited Assurance opinion are specified within 'Summary of Key Findings' on pages 9-11.

2.10. Therefore, on the basis of our conclusions, with the exception of the reviews detailed above, we are able to give **MODERATE ([Moderate 2012/13)** assurance on the design, adequacy and effectiveness of the system of internal control at the Council. We provide 'moderate' assurance where we have identified mostly low and medium rated risks during the course of our audit work on business critical systems, but there have been some isolated high risk recommendations and / or the number of medium rated risks is significant in aggregate. The level of our assurance will therefore be moderated by these risks and we cannot provide a high level of assurance. See Appendix 1 for the full list of available opinions and their definitions.

2.11. We have also provided support to the Council through our reviews and we have provided advice throughout the year to help improve controls and add value.

3. Internal Audit work conducted

Current year's internal audit plan

3.1.   Our internal audit work has been conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) and the agreed Annual Internal Audit plan.

3.2.   The key outcome of each individual audit is an identification of the inherent risks within the system and an overall opinion of the adequacy and effectiveness of the controls within the area audited. The opinions given ranging from the lowest to the highest are:

3.3.   No assurance,

3.4.   Limited assurance,

3.5.   Significant assurance and

3.6.   Full assurance.

3.7.   In recognition of the increasing amount of advisory work and Internal Audit's approach of being innovative and supporting change, a traffic light system (RAG status) has been introduced for some audits, to provide an indication to the client of current performance and to highlight areas that require further attention. The Audit and Governance Committee have been given regular reports during the year summarising audits undertaken.

3.8.   The charts below show the assurance opinions given in 2013/14 compared to those in 2012/13. Our audit plan covers different areas each year, it is therefore not unexpected that these vary, however the assurance levels do give a meaningful insight regarding the Council's control environment. A full list of assurance work is shown in Appendix 2.

3.9.   Assurance Levels 2013/14   Assurance Levels 2012/13
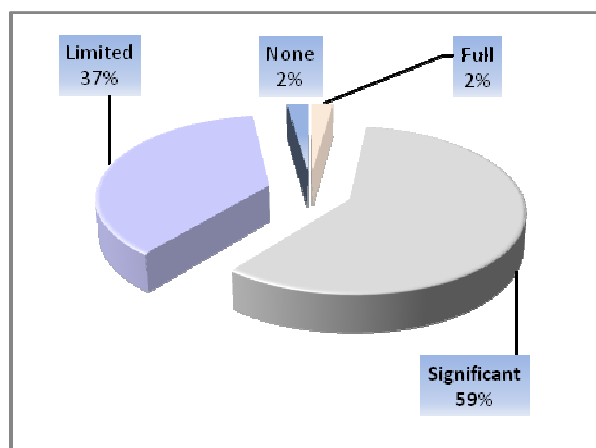
3.10. Recommendations are categorised to reflect the risk that they are intending to mitigate. This also assists managers in prioritising improvement actions. The categories used in increasing order of importance are low, medium and high. During the year 495 recommendations (362 during 2012/13) were made to improve control. The charts below show the comparison of internal audit recommendations made 2012/13and2013/14.

3.11.   Audit Recommendations 2013/14   Audit Recommendations 2012/13
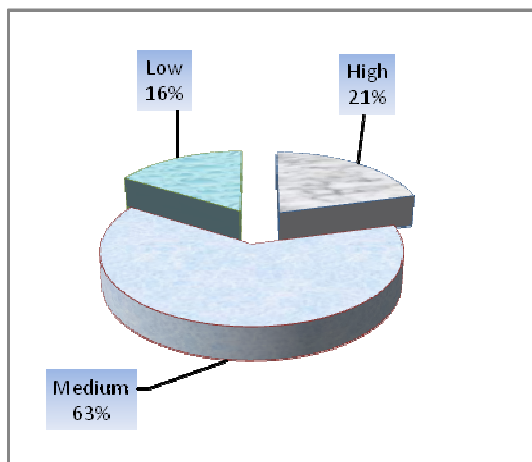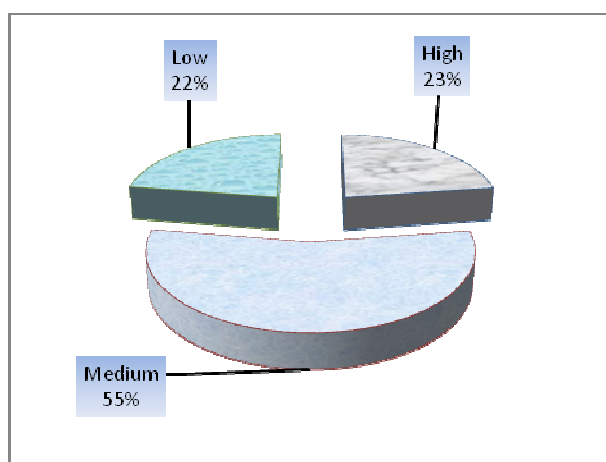
3.12. In Appendix 3 we set out a summary of the key findings in relation to those areas where we have given only Limited Assurance for work carried out as part of the 2013/14 Internal Audit Plan.

Advice

3.13. Internal audit tends to be most effective when advice is sought at an early stage in the planning of policy or system development.

3.14. Internal Audit meets regularly with directors and other senior staff to identify areas where such advice or input is required. This work reduces the issues that will be raised in future audits, contributes to a stronger control environment and allows the audit team to keep up to date with current and future challenges facing the directorates.

3.15. During 2013/14 the Audit and Governance Committee have been updated on a number of areas where Internal Audit has been involved in an advisory capacity.

Special investigations

3.16. The Audit Commission have stated in their national report Protecting the Public Purse 2013 that fraud costs Local Government £2 billion a year. Every pound lost through fraud cannot be spent on providing public services.

3.17. The Council does not appear to have a significant number of irregularities. However, the size and complexity of the Council means that it is inevitable that there will be a small number of irregularities to be investigated; any significant issues are reported to the Audit and Governance Committee.

3.18. A significant amount of pro-active work has taken place during the year to raise awareness of fraud issues. Internal Audit arranged for a publicity campaign during October to raise awareness of fraud and corruption with staff and members. This included information and case studies on SID, posters, plasma screens and encouragement to participate in e-learning training. Information has also appeared on the Member's Portal. This has also provided an opportunity to publicise the Council's Anti-Fraud and Corruption Strategy, Whistle Blowing Policy and Money Laundering Policy, all of which were approved at the Audit and Governance Committee on 13 September 2013. A confidential fraud reporting hotline has also been introduced.

3.19. It is intended to produce a separate Counter Fraud audit report for the December Audit and Governance Committee.

Certification

3.20. Internal Audit has carried out work to check and certify a number of grant claims. These were all found to be satisfactory.

Risk management

3.21. Risk management plays a significant role in how the Council meets its challenges, and strives to achieve its business objectives. As a component of the Council's corporate governance framework, risk management provides a positive contribution towards the achievement of the Council's vision, aims and objectives by identifying risks and providing assurances that those risks are actively managed.

3.22. Internal Audit provides an annual independent, objective assessment/opinion of the effectiveness of the risk management and control processes operating within the Council which feeds into the Council's Annual Governance Statement

3.23. Internal audit also provide guidance on risk and control and are part of the Council's Risk Management Group (CRMG).

Delivery of internal audit plan 2013/14

3.24. The Audit and Governance Committee approved the 2013/14 audit plan on 27 June 2013. We have now achieved 100% of the plan albeit there is some ongoing work to ensure that all reports are appropriately approved by management. The plan was revised slightly during the year to take account of changes to the audit work required.

Effectiveness

3.25. This section of the report sets out information on the effectiveness of the Internal Audit service and focuses on compliance with the PSIAS and the Local Government Application Note (LGAN), the Quality Assurance and Improvement Programme (QAIP) and customer feedback. The PSIAS code includes a detailed checklist against which effectiveness can be measured. Internal Audit has carried out a self assessment against the standards during 2013/14 and has identified a number of areas for improvement in the form of a QAIP. These are detailed in Appendix 4.

3.26. Following the completion of most audits, a "Customer Survey" has been issued to relevant managers asking for their views on the delivery of the audit. There are a range of questions including audit planning, reporting and an overall assessment. It is pleasing that an average score of 4.4 (out of a maximum of 5) has been achieved. In addition a number of positive comments and compliments regarding Internal Audit work have been received during the year.

3.27. The PSIAS requires that there are appropriate quality controls around audit work carried out. There is a rigorous review around the work performed by audit staff including a post audit review which feeds into the staff review and development process.

4. Limitations and responsibilities

Limitations inherent in the internal auditor's work

Internal control

4.1. Internal control, no matter how well designed and operated, can provide only *reasonable* and not absolute assurance regarding achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future Periods

4.2. The assessment of controls relating to Worcestershire County Council is as at 31 March 2014. The historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in the operating environment, law, regulation or other; or
- the degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and of internal auditors

4.3. Management is responsible for maintaining appropriate risk management processes, internal control systems and governance arrangements i.e. the control environment and for the prevention and detection of irregularities and fraud. Internal audit review, appraise and report on the efficiency and effectiveness of these arrangements. We have planned our work so that we had a reasonable expectation of detecting significant control weaknesses and, if detected, we carried out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

4.4. Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.

Basis of our assessment

4.5. In accordance with the Good Code of Practice for Internal Audit in Local Government in the UK 2006, our assessment on risk management, control and governance is based upon the result of internal audits completed during the period in accordance with the plan approved by the Audit and Governance Committee. We have obtained sufficient, reliable and relevant evidence to support the assertions that we make within our assessment of risk management, control and governance.

Limitations in our scope

4.6. The scope of our work has been limited to those areas identified in our individual Terms of Reference.

5. Appendix 1 Annual assurance levels and risk ratings

Annual assurance statements

Level of Assurance	Description
High	We will provide 'high' assurance in our annual opinion where we have only identified low and medium rated risks during the course of our audit work on business critical systems.
Moderate	We will provide 'moderate' assurance in our annual opinion where we have identified mostly low and medium rated risks during the course of our audit work on business critical systems, but there have been some isolated high risk recommendations and / or the number of medium rated risks is significant in aggregate. The level of our assurance will therefore be moderated by these risks and we cannot provide a high level of assurance.
Limited	We will provide 'limited' assurance in our annual opinion where we have identified high or critical rated risks during our audit work on business critical systems, but these risks are not pervasive to the system of internal control and there are identifiable and discrete elements of the system of internal control which are adequately designed and operating effectively. Our assurance will therefore be limited to these elements of the system of internal control.
No	We will provide 'no' assurance in our annual opinion where we have identified critical rated risks during the course of our audit work on business critical systems that are pervasive to the system of internal control or where we have identified a number of high rated risks that are significant to the system of internal control in aggregate.

Definition of priority ratings within our individual audit assignments

Priority rating	Assessment rationale
● High	This is essential to provide satisfactory control of serious risk(s).
● Medium	This is important to provide satisfactory control of risk.
● Low	This will improve internal control

6. Appendix 2 Results of individual audit assignments.

6.1. We set out below the results of our work in terms of the number and relative priority of findings. A number of reports are awaiting management responses to either the draft or final report. These have been highlighted (*) for reference.

Assignment	Overall opinion
School Themed Audit – Governance arrangements (overall report)	Significant
Individual schools – Governance arrangements	
- Far Forest Primary	N/A
- Kingsley College	N/A
- Offenham First	N/A
- Parkside Middle	N/A
- Pitcheroak school	N/A
- Wolverley Seabright Primary	N/A
- St Joseph RC Primary	N/A
- St Nicholas Middle	N/A
- Tenbury High	N/A
- Wyre Forest school	N/A
Pension Fund Governance	RAG rating amber
Enterprising Worcestershire	No opinion, advisory. A number of recommendations were made but not ranked.
Governance	Advisory
Health and Safety	Significant
Construction Industry Scheme (CIS)	Full
Overhead costs and recharges	RAG rating over 7 areas, 4 green, 2 Amber and 1 red
Use of External Consultants	Limited

Assignment	Overall opinion
<u>Use of External Consultants-individual audit</u>	Opinion given in overall report
- Consultant Ai & Aii	N/A
- Consultant B	N/A
- Consultant C	N/A
- Consultant D	N/A
- Consultant E	N/A
- Consultant F	N/A
- Consultant G	N/A
- Consultant H	N/A
- Consultant I	N/A
People Strategy	RAG: Overall Amber
Recruitment Issues	No overall opinion
Contract Management	Significant
Special Education Needs (SEN) Independent Specialist Providers (ISPs)	RAG: 2 Green, 3 Amber & 3 Red
Tax Compliance	Significant
Capital Expenditure	Significant
Standard of Provision of External Services	Significant
Disaster Recovery & Business Continuity	Limited
Emergency Planning	Significant
Business Loan Fund	Full
BACS Payment System	Significant
Quality of Care Records	Limited
School Themed Audit – Contract Management (overall report)	Limited
<u>Individual schools - Contract Monitoring</u>	
- Wolverley Secondary	N/A

Assignment	Overall opinion
- Eldersfield Lawn	N/A
- Blessed Edward Oldcorne	N/A
-Abberley Parochial	N/A
-Burlish Park	N/A
-Church Hill Middle	N/A
-Oak Hill First	N/A
-Evesham High	N/A
-Fort Royal Community	N/A
-Witton Middle	N/A
Transport	Significant
Fixed Assets	Significant
Early Help Strategy- Contract Monitoring & Outcomes	Limited
WM Youth Offending	RAG status
Bishops Wood	Significant
Sustainability	Significant
Safeguarding – Winterbourne House	Significant
Mental Capacity & DOLS	Significant
Treasury Management	Significant
Bank Reconciliation	Significant
Performance Management	Significant
Improvement & Efficiency West Midlands (IEWM)	Significant
Infrastructure Fund for the Voluntary and Community Sector	Significant
Open for Business – Partnership Arrangements*	Limited
Creditors	Significant
Debtors	Significant

Assignment	Overall opinion
Payroll*	Significant
One-time Vendors	Significant
Commissioning of Out of Area and High Cost Placements (Adults)*	Limited
Joint Commissioning Unit – Contract Management (Residential & Nursing Care)*	Limited
Write - off Procedures	Significant
Pension Administration*	Significant
SAP Authorisation Follow Up	Limited
Children's Social Care*	RAG: 5 High, 6 Medium and 2 Low
Local Enterprise Projects	Limited
Future Fit - Benefit Realisation*	Limited

7. Appendix 3 Summary of Key findings

7.1. We set out a summary of the key findings in relation to those areas where we have given only Limited Assurance for work carried out as part of the 2013/14 Internal Audit Plan:

Audit review	Key issues
Information Technology, Disaster Recovery and Business Continuity	Business continuity arrangements had not been reviewed for a number of years. Disaster recovery procedures did not encompass all of the requirements needed to facilitate a recovery from a full disaster and did not reflect the current business operations of the organisation. In addition, systems needed to be prioritised to ensure that the most important ones are recovered first. Finally, there were no fire suppression systems in place.
Quality of Care Records (vulnerable people aged 18 and over)	The audit identified concerns regarding the frequency and consistency of reviews, selection procedures, consistency of reviews, and a requirement for independent reviews and improved reporting procedures.
Use of External Consultants	The audit report identified a number of issues regarding policy, authorisation, procurement procedures, HR issues and monitoring.
Open for Business – Partnership Arrangements	There is no overall register of partnership arrangements and a lack of clarity around the definition of partnerships. There is also a requirement to develop a partnership policy to provide guidance for officers involved in partnership working. Other recommendations covered risk management and governance arrangements.
School Themed Audit – Contract Monitoring (overall report)	There were 24 recommendations covering procurement, contracts, contract monitoring and review procedures. It was recognised that this was from a sample of schools, but that the issues raised in the report are likely to be wider ranging across the county than in just the schools audited. Management have taken note of the recommendations, and have brought to the attention of schools the key issues raised.
Early Help Strategy – Contract Monitoring & Outcomes	Thirty percent of funding is subject to achieving Payment by Results (PBR) targets. Further work needs to be conducted ahead of the PBR mechanism going live, as in many cases monitoring tools have yet to be put into place to facilitate a way of determining whether targets have been achieved and, in turn, what the impact on funding is. Monitoring arrangements also need to ensure that PBR targets do not prove to be counter-productive. There is a lack of clarity as to

Audit review	Key issues
	which PBR data is to be produced by the Council and which results data is to be produced by the providers.
Commissioning of Out of Area and High Cost Placements (Adults)	There were a number of issues regarding process documentation, authorisation processes, utilisation of resources, contract and review procedures.
SAP Authorisation Follow Up	Whilst improvements have taken place there were concerns over current authorisation levels and the lack of appropriate reporting which restricted directorate finance team's ability to monitor SAP authorisation levels.
Local Enterprise Projects	There were recommendations around governance arrangements including the partnership agreement and strategic plan, risk management and performance reporting arrangements.
Benefit Realisation	There was only limited assurance that the Council is realising all the benefits expected from the programme, as directorates are too narrowly focused on projects that aim to achieve short term financial savings. In addition, projects are primarily focussed on individual directorates, rather than considering how collaborative projects between directorates can achieve benefits and savings.
Joint Commissioning Unit – Contract Management (Residential & Nursing Care)	There were a number of concerns regarding contractual and monitoring arrangements.

8. Appendix 4 Quality Assurance and Improvement programme

8.1. The attached table shows the outcome of Internal Audit's self assessment against the Public Sector Internal Audit Standards (PSIAS).

PSIAS check list ref	PSIAS Description	Audit Standard	Actions	Timescale for tasks to be achieved	Person Responsible	Status
1000	Purpose, Authority & Responsibility	The Internal Audit Charter should include a formal definition of Purpose, Authority & Responsibility	Produce IA Charter to reflect new standards. Charter approved by Audit and Governance Committee	August 2013 September 2013	Senior Manager, Internal Audit & Assurance	Complete Complete
1000	Purpose, Authority & Responsibility	Purpose, Authority & Responsibility of the Audit and Governance Committee	Issue skills matrix Approval of training programme Stage 1 training	September 2013 March 2014 May 2014	Senior Manager, Internal Audit & Assurance	Complete Complete
1100	Organisational Independence	Chief Audit Executive (CAE) should report to level of corporate management team	CAE reports to Service Director. However, can where appropriate report to a member of the corporate management team.	June 2104	Senior Manager, Internal Audit & Assurance	Complete
1100	Organisational Independence	Reporting and management arrangements in place to preserve the CAE's independence and objectivity	Amend Senior Managers, Internal Audit & Assurance job description to include arrangements for raising concerns	July 2014	Head of Corporate Financial Strategy	Ongoing
1100	Organisational Independence	The Board approves decisions relating to the appointment and removal of the CAE	This responsibility is fulfilled by the Head of Corporate Financial Strategy.	June 2104	Head of Corporate Financial Strategy	Complete
1100	Organisational	The chief executive or	There is currently no formal	April 2014	Head of Corporate	Complete

PSIAS check list ref	PSIAS Description	Audit Standard	Actions	Timescale for tasks to be achieved	Person Responsible	Status
	Independence	equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?	contribution from the Chief Executive. Include in future Staff Review & Development		Financial Strategy	
1100	Organisational Independence	Feedback should be sought from the Chair of the Audit Committee for the CAE's performance appraisal	There is currently no formal contribution from the Chair. Include in future Staff Review & Development.	April 2014	Head of Corporate Financial Strategy	Complete
1210	Proficiency	To ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes.	Introduction of management competencies. Set out key skills relevant to carrying out the role of an internal auditor. Provide guidelines on the competence level expected to be achieved at each staff level Highlight training needs and inform SRD process. Review of Job descriptions	Started April 2013 Updated	Senior Manager, Internal Audit & Assurance Senior Manager, Internal Audit & Assurance	Complete August 2013
1230	Continuing Professional Development	To ensure that internal auditors undertake a programme of continuing professional development.	Behavioural skills training. Learning Outcomes By the end of the session you will be able to:- • Recognise body language and signals in communication in order to effectively influence and steer negotiations • Utilise appropriate questions and	October 2013	Senior Manager, Internal Audit & Assurance	Complete

PSIAS check list ref	PSIAS Description	Audit Standard	Actions	Timescale for tasks to be achieved	Person Responsible	Status
			• summarising techniques in order to engage customers • Adapt your language to suit different preferences • Recognise different approaches to decision making • Identify with and respect different preferences within the team			
1230	Continuing Professional Development	To ensure that internal auditors undertake a programme of continuing professional development.	Critical thinking. To help develop our ability to critically analyse information Explore different techniques to: • Develop an awareness of the 'bigger picture' and how this might impact on your audit • Aid evaluation and forming of evidenced based opinions Sharing approaches for tackling audit assurance on the more complex service outcome areas	November 2013 April 2014	Senior Manager, Internal Audit & Assurance	Ongoing
1230	Continuing Professional Development	To ensure that internal auditors undertake a programme of continuing professional development	Training and Development Strategy / Plan. To support team and individual development / skills.	October 2013	Senior Manager, Internal Audit & Assurance	Complete

PSIAS check list ref	PSIAS Description	Audit Standard	Actions	Timescale for tasks to be achieved	Person Responsible	Status
			Link in with wider Financial Services training plan			
1310	Requirements of the Quality Assurance and Improvement Programme	The QAIP should include both internal and external assessments	No external assessment has been completed to date re new standards. External assessment of compliance with the standards will be needed.	December 2017	Senior Manager, Internal Audit & Assurance	Ongoing
1311	Internal Assessments	Ongoing performance monitoring should include comprehensive performance targets?	New performance targets to be introduced and reported to Audit & Governance committee.	September 2014	Senior Manager, Internal Audit & Assurance Engagement Managers	Ongoing
1320	Reporting on the Quality Assurance and Improvement Programme	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	Not previously reported. Report to Audit and Governance Committee.	June 2014	Senior Manager, Internal Audit & Assurance	Complete
1320	Reporting on the Quality Assurance and Improvement Programme	Ongoing performance monitoring includes obtaining stakeholder feedback?	Issue an Internal Audit Customer survey to ascertain quality of work.	April 2013	Senior Manager, Internal Audit & Assurance	Complete
			Review feedback and report in annual report.	June 2014	Senior Manager, Internal Audit & Assurance	Complete
			Review questions on customer survey to ensure that they continue to provide meaningful feedback to progress the Internal audit service.	April 2014		

PSIAS check list ref	PSIAS Description	Audit Standard	Actions	Timescale for tasks to be achieved	Person Responsible	Status
2040	Policies and Procedures	The CAE should develop and put into place policies and procedures to guide the internal audit activity.	Produce new Internal Audit Manual to reflect current working practices.	April 2014	Senior Manager, Internal Audit & Assurance Engagement Managers	Complete to draft
2050	Planning	The risk-based plan should set out the approach to using other sources of assurance and any work that may be required to place reliance upon those sources	Not formally set out in the risk-based plan. Working with the Risk Management Group (RMG) to develop assurance model.	April 2014 onwards	Senior Manager, Internal Audit & Assurance Engagement Manager	Ongoing
2050	Planning	The CAE should carry out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance	Working with the Risk Management Group (RMG) to develop assurance model	April 2014 onwards	Senior Manager, Internal Audit & Assurance Engagement Manager	Ongoing
2120	Risk Management	Internal audit activity should evaluate the potential for fraud and also how the organisation itself manages fraud risk?	Increase awareness through publicity and on-line training. Review effectiveness of publicity and training	January 2014 July 2014	Engagement Manager Engagement Manager	Complete Not due
2200	Engagement Planning	Internal auditors develop and document a plan for each engagement?	Better engagement with the client to ensure that the client has ownership of the audit and greater acceptance of the work. Introduction of an Engagement Planning record.	April 2014	Senior Manager, Internal Audit & Assurance Engagement Manager	Started to use in March 2014

PSIAS check list ref	PSIAS Description	Audit Standard	Actions	Timescale for tasks to be achieved	Person Responsible	Status
2200	Engagement Planning	Raise awareness of role and remit of both Internal Audit & Audit and Governance Committee	Meet with Heads of Service, Directors and Chief Executive re planning process and ongoing audit work.	November to March	Senior Manager, Internal Audit & Assurance Engagement Managers	Complete for planning process. Ongoing engagement required.
2450	Criteria for Communicating	Engagement results released outside the organisation should include limitations on distribution and use of the results.	Review wording on reports. Disclaimer included in report	June 2014	Senior Manager, Internal Audit & Assurance Engagement Managers	Ongoing
2450	Overall opinion	Progress against the QAIP should be set out in the CAE's Annual Report	The Annual Report will include a section on progress against the QAIP	June 2014	Senior Manager, Internal Audit & Assurance	Complete