

No	PSIAS Ref	Issue	Required Action	Responsible Person	Target Date
1	EQA	Whilst Internal Audit performs a typically sound counter-fraud function as would be found at most local authorities, at SMBC we have invested in training some of our investigation team in being accredited financial investigators. This has been particularly useful in social housing and internal investigations where it has been necessary to look into bank accounts etc. This service could also be used to support other aspects of council operations, i.e. Trading Standards.	The possibility of training members of the investigation team to become accredited financial investigators will be explored.	Head of Audit	31 March 2019
2	EQA	The Audit Management system used is not being fully utilised (through choice) and whilst it was not relevant for this review against standards would probably attribute a cost to use. At SMBC we operated a similar system for which we used to pay an annual fee circa £20k. We replaced this with an in-house developed system (using excel) which provides better information at zero cost. We would be happy to demonstrate, share and support this (no charge).	Members of the Audit team will visit Solihull MBC for a demonstration, with a view to sharing this system.	Head of Audit	31 March 2019

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3	EQA	It is recommended that the Annual Governance Process is reviewed to ensure that management complete this task rather than Internal Audit. The Annual Report on Internal Audit is the key independent document that offers an opinion on Internal Control and should be read alongside the AGS. If Internal Audit writes/presents the AGS it could be argued this compromises independence as it as a management statement. At SMBC we have a Risk Management/Governance Officer, that whilst based in Internal Audit, reports the AGS on management's behalf (through the Section 151 Officer).	This matter will be discussed with the Director of Finance and Director of Governance	Head of Audit	In advance of the preparation of the 2018-2019 AGS
4	EQA	Explore the potential for more sharing across both Sandwell Council and the City of Wolverhampton Council with regards to Internal Audit.	This will be explored	Head of Audit	31 March 2019
Actions arising from the self-assessment (CAE = Chief Audit Executive/Head of Audit)					
5	1110	Does the chief executive or equivalent undertake, countersign contribute feedback to or review the performance appraisal of the CAE?	Head of Audit to speak to Director of Finance on formalising this part of the appraisal process.	Head of Audit	Next appraisal
6	1110	Is feedback sought from the chair of the Audit Committee for the CAE's performance appraisal?	As above - Head of Audit to speak to Director of Finance on formalising this part of the appraisal process.	Head of Audit	Next appraisal
7	1210	Do internal auditors have sufficient knowledge of the appropriate computer assisted audit techniques that are available to them to perform their work, including data analysis techniques?	While there is limited use of IDEA, its use is to be reviewed and expanded.	Head of Audit Audit Business Partners	31 March 2019

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8	1300	Has the CAE developed a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?	QAIP to be further developed – the outcome of the EQA will provide a good start point.	Head of Audit	31 March 2019
9	2050	Consider how the CAE can share information and coordinate activities with other internal and external providers of assurance and consulting services?	Consider further development of this wherever possible.	Head of Audit	31 March 2019
10	2110	Has the internal audit activity evaluated the: a) Design b) Implementation, and c) Effectiveness of the organisation's ethics-related objectives, programmes and activities?	While ethics are implicit in each review, to carry out an Ethics Audit in 2019 – 2020	Head of Audit Audit Business Partners	2019 - 2020 Audit Plan
11	2110	Has the CAE considered the proportionality of the amount of work required to assess the ethics and information technology governance of the organisation when developing the risk based plan?	As above, alongside consideration of information technology governance.	Head of Audit	2019 - 2020 Audit Plan
12	2200	Does the engagement plan include the engagement's: a) Objectives b) Scope c) Timing d) Resource Allocations	To amend the Planning Brief to include details of Audit resources - i.e who will be doing audit, time allocated and who will be reviewing.	Audit Business Partners	31 December 2018
13	2200	Where an engagement plan has been drawn up for an audit to a party outside of the organisation, have the internal auditors established a written understanding with that party about the following: a) Objectives	Planning Briefs are issued for all audits undertaken. Currently planning briefs do not include items in (C). While such wording is included in all audit reports: <i>'This report should not</i>	Head of Audit Audit Business Partners	31 December 2018

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		<p>b) Scope</p> <p>c) The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)</p>	<p><i>be disclosed to any third party, quoted or referred to without prior consent. Internal audit has undertaken this review subject to the limitations outlined below'</i> a similar reference will also be included in such Planning Briefs.</p>		
14	2220	Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up?	While the scope and objectives are agreed and are included in each report, more formal Planning Briefs will also now be completed where appropriate.	Audit Business Partners	31 December 2018
15	2330	Has the CAE developed and implemented retention requirements for all types of engagement records?	Following the introduction of GDPR this will be revisited to ensure that retention requirements are documented for all engagements.	Head of Audit Audit Business Partners	31 December 2018