

## Management Action Plan

## APPENDIX A

The recommendations from this review are to be addressed by Bolton MBC as shown in the table below.

Recommendation	Priority	Actioned
1 Financial regulations should be expanded to give reference to the Internal Audit terms of reference either as a separate document or as an appendix.	Low	Yes
2 Internal Audit should ensure that terms of reference are expanded to allow Internal Audit unrestricted access to the records of all of its external clients in order to complete its work.	Low	Yes
3 Bolton MBC should ensure that the Anti-Fraud Strategy is regularly updated and approved to ensure that all staff are following the correct procedures in relation to reporting suspected cases of fraud to Internal Audit.	Medium	Yes
4 Although this is not considered to be a major concern, the Head of Internal Audit performs a dual role. This should be acknowledged when annual audit plans are being produced and presented to the Audit Committee.	Low	Yes
5 In order to comply with the Code of Conduct for Local Government, the Internal Audit team should be issued with ethics guidance and declare any interests that compromises their position as an Internal Auditor. This could be done by completing an annual certificate to register independence, compliance with ethical standards, confidentiality and to acknowledge understanding of the fraud procedures.	High	Yes
6 Internal Audit should formalise arrangements to ensure that graduate trainees who complete a cycle of work in different departments, and agency staff who have worked at the Authority previously do not audit areas that they have previously worked in.	Low	Yes
7 Terms of reference state that Internal Audit will report performance data against the audit plan to the Audit Committee. Internal Audit could develop good practice by considering reporting performance against pre-defined key performance indicators.  In future Internal Audit should also report broader performance data to the Audit Committee such as that obtained from the Greater Manchester Benchmarking Club.	Medium	Yes
8 Internal Audit should actively pursue non receipt of make response of post audit customer satisfaction questionnaires after the completion of audit work. This information could be analysed for trends and performance could be	Low	Yes

Recommendation	Priority	Actioned
reported to the Audit Committee.		
9 Outcomes of all reports prepared by external consultants in relation to the performance of Internal Audit (such as the Pricewaterhouse Coopers report) should be presented to the Audit Committee in future.	Low	When occurs
10 Internal Audit should distribute the annual audit plan to the Departmental Management Teams. This would give them the opportunity to feed this information back to an operational level.	Medium	Yes
11 To improve relationships with the Police, Internal Audit should produce a formal protocol for all its interactions. This could be extended to include dialogue with external review bodies.	Medium	N/A
12 Internal Audit should consider introducing a central register of training requirements and training received. This database could be used to ensure that all staff receive the appropriate training and facilitate sharing of knowledge where staff have attended courses.	Medium	N/A
13 Internal Audit should consolidate the strategic information held in the Internal Audit Service Improvement Action Plan, terms of reference and annual audit plan to produce on strategic document. This should include links to Internal Audit's input into the SIC, corporate governance arrangements, risk management processes and key internal system controls.	Medium	N/A
14 The annual audit plan presented to the Audit Committee may benefit from giving a brief description of the scope and objective of individual audit assignments, where this does not conflict with the nature of the assignment.	Medium	Yes
15 Assignment review by Audit Managers should ensure that all of the standard documentation is maintained on file before an assignment is signed off as complete.	High	Yes
16 Where sample testing has been used, working papers should always document: <ul style="list-style-type: none"> <li>• how samples have been selected;</li> <li>• the full details of the samples selected, to ensure that the work could be re-performed if required;</li> <li>• the period covered by testing;</li> <li>• that the whole system has been covered;</li> <li>• that the whole period has been considered and that the testing relates to the relevant financial year.</li> </ul>	High	Yes
	High	Yes

Recommendation	Priority	Actioned
17 In order to feed into the Statement on Internal Control, Internal Audit should issue reports that contain an overall opinion in relation to the adequacy of the control environment for the area that has been under review.		
18 As required by the CIPFA standard, Internal Audit should present an interim report to the Audit Committee that states the current position in terms of: <ul style="list-style-type: none"> <li>the overall adequacy and effectiveness of the internal control environment;</li> <li>any qualifications to the opinion;</li> <li>a summary of the audit work undertaken to date to formulate the opinion;</li> <li>a comment on compliance with the CIPFA standards and Internal Audit's performance.</li> </ul>	Medium	Yes
19 Internal Audit should introduce a formal quality assurance process above and beyond assignment level review. This process should select assignment files at random to ensure that files meet the required consistent standards.	Medium	Yes