

**Audit Services – Review of the Quality Management System 2015/16**

<b>Review undertaken by:</b>	<b>Brian McGuire - Audit Manager</b>
<b>Date of Review:</b>	<b>31.05.16</b>
<b>Presented to and accepted by:</b>	<b>Brian James - Head of Corporate Assurance</b>
<b>Date accepted:</b>	<b>06.06.16</b>

**Assessment Outcome:**

Overall the system continues to remain fit for purpose. At the end of 2014/15 only one improvement was outstanding, this being a major software upgrade to MK Insight, the services electronic working paper system. This upgrade has now been successfully completed during the course of 2015/16 (Sept 15). Although the new functionality does not offer any fundamental new benefits to the service due in the main to its small size, the upgrade was critical to ensure continued support for the system as earlier versions of the software are due to be retired. As part of the upgrade the opportunity has also been taken to move to a hosted solution provided by Morgan Kai (the software provider) as opposed to continuing to run the software on an in house DBC server providing advantages to the service in terms of software support and implementation of future upgrades/enhancements.

The principal changes to the service as part of the upgrade are around the look and feel of the system which has been significantly updated. In terms of core functionality, this continues to fulfil the services requirements. Appropriate training has been provided by Morgan Kai and the system has bedded in well during the second half of 2015/16 with only minor operational issues experienced around IT connectivity.

Further work was identified as required around the services archiving and retention policies and protocols to ensure they remained robust and fit for purpose. This has now been completed during the course of 2015/16

**System effectiveness and continual improvement:**

Overall the system continues to remain effective. The Audit e drive at present reflects the current group structure as does MK Insight. The system adequately reflects current working practices which have remained stable during the course of 2015/16. Changes will however be required during the course of 2016/17 to reflect management/service restructuring as part of the MTFP process, the revised PDR process and the updated version of the Public Sector Internal Audit Standards (PSIAS).

**Background**

Audit Services have for a number of years operated an internal Quality Management System to support the service in the provision of an internal audit service to the Council. The Quality Management System (QMS) was until December 2012 externally accredited by Lloyds Register Quality Assurance (LRQA) to the requirements of BS EN ISO 9001:2008 quality standard which included a 9 monthly inspection visit to determine and report upon the QMS continued fitness for purpose.

Formal accreditation was discontinued in December 2012 as part of ongoing budget cuts/savings, however Audit Services have continued to maintain the QMS and operate in accordance with its principles.

Compliance with external accreditation required that the Audit Manager on an annual basis conduct a review of the QMS to ensure its ongoing fitness for purpose including any recommendations for improvements, efficiencies etc.

This review has been maintained and the contents of this report comprise the review for the

period ended 31.03.16.

Recommendations for suggested improvements have been made, discussed and agreed with the Head of Corporate Assurance and are included in the body of this report as appropriate **in bold**.

### Scope and Findings

**Scope:** All aspects of the QMS have been evaluated.

### Findings:

#### Quality Management System

The Quality Management System comprises 26 sections which together comprise the Audit/Administrative process.

An evaluation was undertaken of each section.

1. Mission and Aims – **to be updated in line with additions to the PSIAS.**
2. Terms of Reference – no comments
3. Audit Strategy – no comments
4. Audit Committee – no comments
5. Audit Standards – **to be updated in line with additions to the PSIAS.**
6. Response to the Audit standard – no comments
7. Documentation and Version Control – no comments.
8. Review of the Quality Management System – no comments
9. Approval of changes to the QMS – no comments
10. Internal Audit Process. – no comments
11. Quality Audits – no comments
12. Annual Audit Plan – no comments
13. Audit Risk Assessment – no comments
14. Audit Work Plan – no comments
15. Audit Methodology – no comments
16. Audit Report – no comments
17. Composition of Audit Service Folders – no comments
18. Client Satisfaction database – no comments
19. Client Satisfaction Survey –no comments
20. Performance Development Reviews – **to be updated to reflect the new PDR process.**
21. Time recording – no comments
22. Performance Monitoring – no comments
23. Special Investigations – no comments
24. Internal Audit Recommendations Database – no comments
25. Access and Archiving Policy – no comments
26. Xentrall Shared Services – no comments

#### Points for Further Action

- Restructure the audit universe on the Audit E Drive and on MK Insight to reflect structural changes made as part of the MTFP process. **By March 2017**
- Update the QMS to reflect the revised PDR process. **By September 2016.**
- Update the QMS to reflect the additions to the PSIAS. **By September 2016**