REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT 2006/7
Improvement Action Plan – Progress to Date – April 2008

Recommendation	Audit Services Response	Action to be taken	Timescale for Implementation	Current Position
1. Develop an Internal Audit Strategy Document	Accepted Currently no separate strategy document is maintained. The principles of service delivery are enshrined in the Section's Role and terms of reference	Consideration to be given to the production of a formal strategy document to complement the Section's Role and terms of reference	December 07	Strategy document now complete. Approved by the Audit Committee in December 2007
2. Formalise access policy for audit files and records	Accepted Currently only External Audit has access. Any other access is granted at the discretion of the head of Corporate Assurance	A policy to be formalised and integrated into the Section's Quality management System	September 07	A policy has been introduced to cover both external access to electronic files including access to the audit e drive and to the release of paper based documents as applicable. This access policy has been incorporated into section 28 of the Section's Quality Management System
3. The Chief Internal Auditor to seek to further establish lines of communication with the regulatory and inspection agencies that interact with the organisation	Accepted The section is seeking to be more pro actively involved in this area and this is reflected in the revised Role and Terms of Reference to be considered by the Audit Committee in June 2007	The section to further explore avenues in this regard.	December 07	Discussions are continuing with the Policy Unit to further explore and develop the most appropriate channels of communication to be utilised to enable the Section to adopt a more proactive approach in this regard. The commitment to such an approach has been incorporated into the Section's Role and Terms of Reference - March 2008, Section 4.16

4. The section to continue to further develop its use of new audit software with a view to further streamlining the audit process and developing a paperless system. **This to include the migration of the current risk assessment system onto the new software system to provide better integration when the opportunity will also be taken to refresh the current risk assessment approach**	Accepted Improvements as detailed in the section's Annual Audit Report	The section will continue to develop the audit management software throughout 2007/08. Particular emphasis will be placed on the integration of the current risk assessment system with a view to being able to place reliance on the new software for the 2008/09 planning process	Development work to continue throughout 2007/08 Integration of the Risk Assessment system completed December 2007	The section has effectively achieved a paperless system for use when conducting internal audit reviews. All audits are now undertaken utilising electronic working papers stored on the Sections e drive linked to the audit software package. No paper files are now maintained in respect of audit reviews. All previous paper files have now been scanned, etc. to form an electronic audit database. The risk management methodology has been refreshed and refined to account for a broader range of risk factors. The audit universe has been totally "rescored" in December 2007 to account for the revised risk factors and the scores migrated onto the audit software to facilitate planning purposes for 2008/09