

# Audit Services - Review of Quality Management System

<b>Review undertaken by:</b>	<b>Brian McGuire Audit Manager</b>
<b>Date of Review:</b>	20.05.14
<b>Presented to and accepted by;</b>	<b>Brian James: Head of Corporate Assurance</b>
<b>Date Accepted:</b>	<b>22.05.14</b>

## Assessment Outcome:

Overall the system remains fit for purpose. The main challenge for 2014/15 will be to implement the outstanding software upgrades to MK Insight, the Section's electronic working paper system.

## System effectiveness and continual improvement:

The system continues to remain effective. The Audit E drive containing all Audit files, risk assessments etc. has been streamlined during the course of 2013/14 and rationalised to reflect the new Group and AD structure. The Audit Universe within MK Insight, used for conducting and recording outcomes from individual audits, has also been updated to take account of management changes within the Council. As a result the 2014/15 Audit Plan on MK Insight fully reflects existing Council structures.

## Areas for attention:

Implement the upgrade to MK Insight – this will need to be planned through ICT and with MK Insight directly. To be included on PR's 14/15 PDR- *timescale during the course of 14/15 subject to resources available.*

Action points as outlined in bold capitals in the findings section of this document. – timescale the *end of June 14.*

## Background

Audit Services have for a number of years operated a Quality Management System (QMS) to underpin service provision and demonstrate adherence to professional auditing standards. Until December 2012 the QMS was externally accredited by Lloyds Register Quality Assurance (LRQA) to the requirements of the BS EN ISO 9001:2008 quality standard which included surveillance visits every nine months.

Given budget pressures and the fact that over many years external scrutiny had confirmed the system as effective with few, if any, areas for improvement, it was decided to cease formal accreditation. 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 it remained fit 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 31.03.14.

Improvement recommendations have been made, discussed and agreed with the Head of Corporate Assurance and are included in the body of this report.

## Scope and Findings

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

### Findings:

The system currently comprises 5 databases:

Audit synopsis

Client surveys

Documentation

Documentation version control

Quality Audits

And the quality manual which forms the Quality Management System

#### **Databases**

An examination of the databases for fitness for purpose was undertaken.

Audit synopsis – this was used by the Audit Manager to build up the profile of the work undertaken by the Section during the course of the year and to inform the progress reports to the Audit Committee. The Audit Manager does not now utilise the database but instead populates the quarterly audit reports to the Audit Committee directly in the Committee folder. As such this database is now obsolete and can be deleted as it carries no historical information not recorded elsewhere. **DATABASE TO BE DELETED – B McG.**

Client Survey – this database remains current. There are outstanding surveys required to still be populated onto the database. **PR TO ACTION.**

Database documentation – this database remains current, detailing documents in use and version control in respect of the QMS.

Database Documentation version control – maintains the current versions of the documentation

The two documentation databases could now be rationalised into one. **PR TO ACTION.**

Quality Audits Database: For 13/14 Audit have tried to streamline the procedure by running without the individual quality check on Audit electronic files. This is distinct from the management checks undertaken by the Audit Manager in terms of findings and reports to management and comprises a check to ensure all constituent elements of the process are completed e.g. recording recommendations, working papers, completing the Audit electronic file, etc.

No significant issues were identified but the Audit Manager recommends reintroducing this check as it does provide focus on continuity of approach and saves the Audit Manager time as he can rely on this scrutiny. **B McG TO DISCUSS WITH PR TO REINTRODUCE.**

#### **Quality Management System**

The Quality management System (QMS) comprises 29 sections which together comprise essentially the Audit Process.

An examination was undertaken of each section:

1. Mission and Aims – no comments
2. Audit Strategy and Terms of Reference – no comments
3. Audit Committee – no comments
4. Audit Standards – no comments
5. Documentation and Control Databases – see above
6. Response to the Standard – this is the Services response to the external ISO standard. It is no longer required in this context as the QMS is longer subject to ISO scrutiny. **PR TO ARCHIVE IN CASE REQUIRED FOR FUTURE USE.**
7. Review of the Quality system- to remain to reflect the reintroduction of individual file audits for 14/15.
8. Approval to changes to the QMS – no comments.
9. Internal Audit Process – no comments

10. Quality Audits – no comments
11. Audit Plan – no comments
12. Risk Assessment – no comments but the link to the sample document has been lost. **PR TO ACTION.**
13. The Audit Work Plan – no comments
14. Audit Methodology – no comments
15. Audit report, no comments but the link to the sample document has been lost. **PR TO ACTION.**
16. Audit Service composition of file folders – needs to be updated to reflect the streamlined approach on the e drive. - **PR TO ACTION.**
17. Client satisfaction database – see above
18. Client satisfaction survey – no comments.
19. Audit synopsis database – no longer required, to be deleted. **PR TO ACTION.**
20. Performance Development Reviews – no comments but **PR TO CHECK HYPERLINKS.**
21. Time Recording – no comments
22. Performance Management – no comments
23. Advice and Consultancy – **COMPLETED TO OBTAIN EXTERNAL ACCREDITATION. DISCONTINUE AS NO LONGER REQUIRED FOR INTERNAL USE.**
24. Special Investigations – no comments
25. Control of Quality Records – **PR TO REMOVE ACCREDITATION TERMINOLOGY AND CHECK E DRIVE REFLECTS THE AGREED DOCUMENT RETENTION PERIODS.**
26. Internal Audit recommendations – no comments
27. Access and Archive Policy – no comments Audit Library – no comments
28. Xentrall Shared Services – no comments