Audit Services – Review of Quality Management System

Review undertaken by:	**Brian McGuire - Audit Manager**
Date of Review:	**27.05.15**
Presented to and accepted by:	**Brian James - Head of Corporate Assurance**
Date accepted:	**28.05.15**

Assessment Outcome:
Overall the system continues to remain fit for purpose. The principal challenge set during 2014/15 was to implement the outstanding software upgrade to MK Insight, the service's electronic working paper system. This has not been achieved due mainly to other unforeseen work commitments during the course of the year. However examination of the upgrades has determined that the new functionality does not offer any fundamental new benefits to the service due in the main to the small size of the service, current functionality continues to fulfil the service's primary needs. That said because the service hosts the software on a DBC server (i.e. not a hosted system), the need to upgrade is restated here if only to ensure the service remains on a supported version of the software. All other outstanding improvements from 2013/14 have been implemented. Upon upgrade, the software can then be evaluated fully to determine if there are any improvements which can be utilised.
Further work has been identified as required around the service's archiving and retention polices and protocols to ensure they remain robust and fit for purpose. Following such a review, the outcomes will then be applied to records held on the service's E Drive.

System effectiveness and continual improvement:
Overall the system continues to remain effective. The Audit e drive at present reflects the current structure as does MK Insight. The system adequately reflects current working practices which have remained stable during the course of 2014/15.

Areas for attention:
Implement the upgrade to MK Insight and evaluate any revised functionality for its applicability to the service.
Action points as outlined in bold in the findings section of this document. – *timescale by the end of July 15.*

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 31.03.15.

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.

Scope and Findings

Scope: All aspects of the QMS have been evaluated.

Findings:

The system comprises 3 databases:
- *Client Surveys*
- *Documentation and version control*
- *Quality Audits*

Plus the Quality Manual which forms the Quality Management System (QMS).

Databases

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

Client Survey – this database remains current. Difficulties have been experienced during the course of the year in obtaining completed surveys from clients, this being due in the main to other work commitments, etc. Also there are a number of generic audits which have been undertaken e.g. corporate income which do not easily lend themselves to a survey being completed as they comprise a review over a number of establishments and the client tends to be corporate.

For 2015-16 the service is to adopt a more effective escalation procedure to the Audit Manager with a view to ensure better compliance in this regard.

Documentation – now incorporates version control, this database remains current detailing documents in use and version control in respect of the QMS.

Quality Audits – this database is now essentially redundant, its principal use previously being to evidence quality checks for ISO accreditation purposes. The service now relies on management checks and sign off of individual audit assignments 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. It should be noted that as part of the MK Insight system, the Audit Manager must undertake an electronic point by point sign off of the audit programme prior to completing the audit. This is also built into the QMS. At the previous review it was considered reintroducing the old ISO check but the Audit Manager considers the current process to be more efficient and streamlined.

Quality Management System

The Quality management System comprises 27 sections which together comprise the Audit/Administrative process.

An evaluation was undertaken of each section.

1. Mission and Aims – no comments.
2. Terms of Reference – no comments
3. Audit Strategy – no comments
4. Audit Committee – no comments
5. Audit Standards – no comments
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 – no comments
21. Time recording – no comments
22. Performance Monitoring – no comments
23. Special Investigations – **to review and update the archiving policy accordingly**. **PR to action in conjunction with B McG**
24. Control of Records. **As 23 above.**
25. Internal Audit Recommendations Database – no comments
26. Access and Archiving Policy – no comments
27. Xentrall Shared Services – no comments