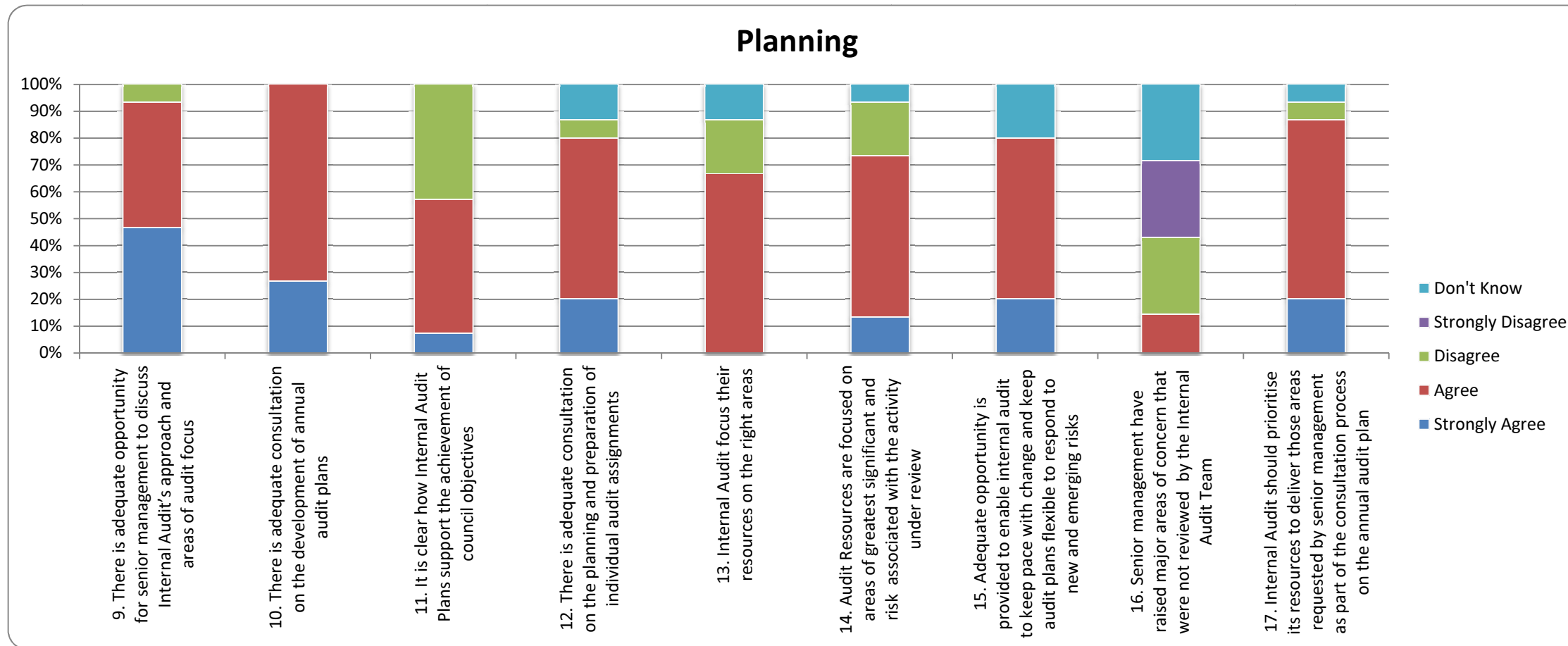


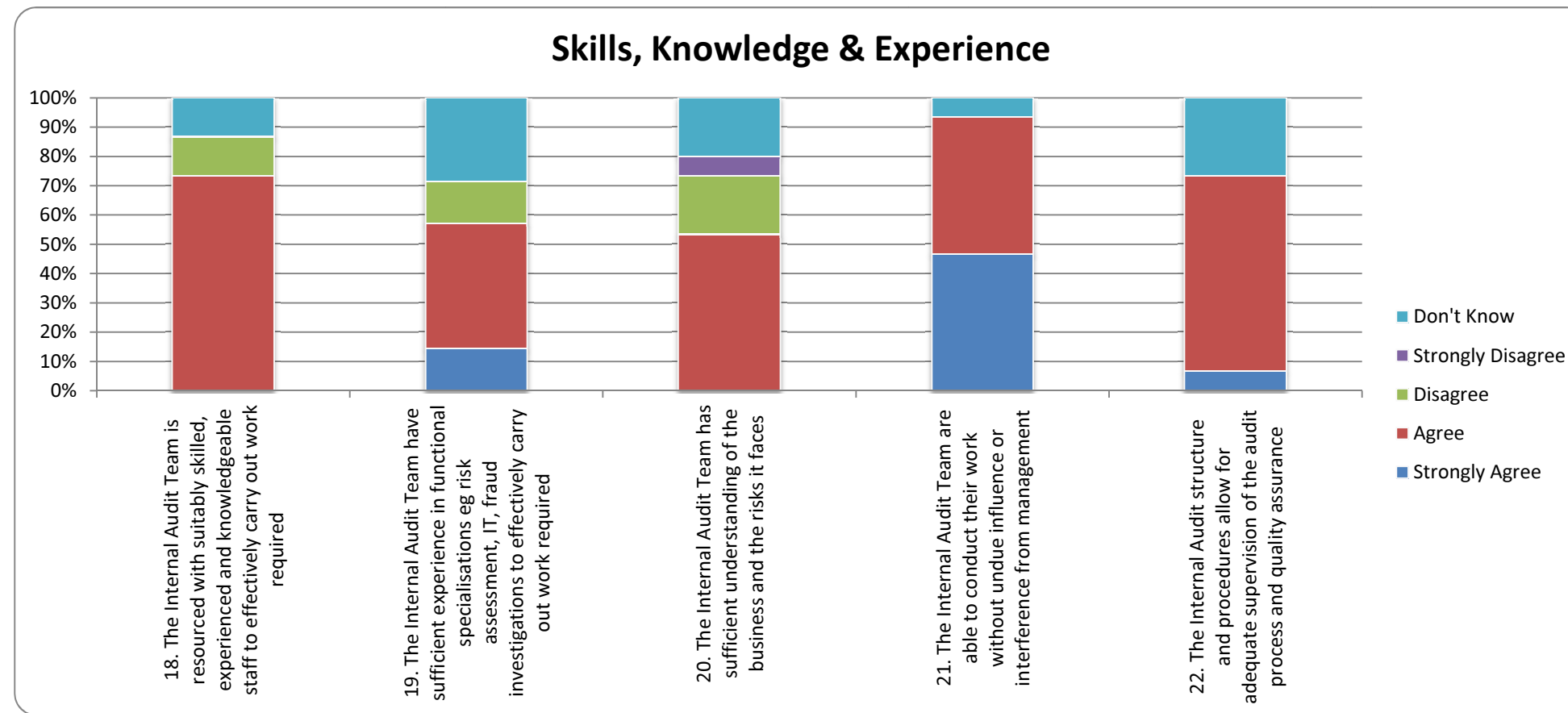
Additional Comments

- Risk based approach, and close working with services in developing programmes of work particularly welcomed.
- During the year IA have worked with me and my service management team to improve the TOR / CRA processes and to better manage the implementation / monitoring of IA recommendations.
- This could be more strongly aligned to service needs. Whilst appreciating that a level of independence is required at times this must be in-line with skills and ability.
- The staff are hard working and conscientious, but there is concern that sometimes they do not fully understand the areas they are auditing and reports that focus on how the auditor would have done something differently or judgements on procedural defects that are not significant lead staff being audited to the view that a "make-work judgemental" focus instead of a risk-based one is being pursued. It is fair to say that the approach has improved a lot recently, following concerns raised about one audit



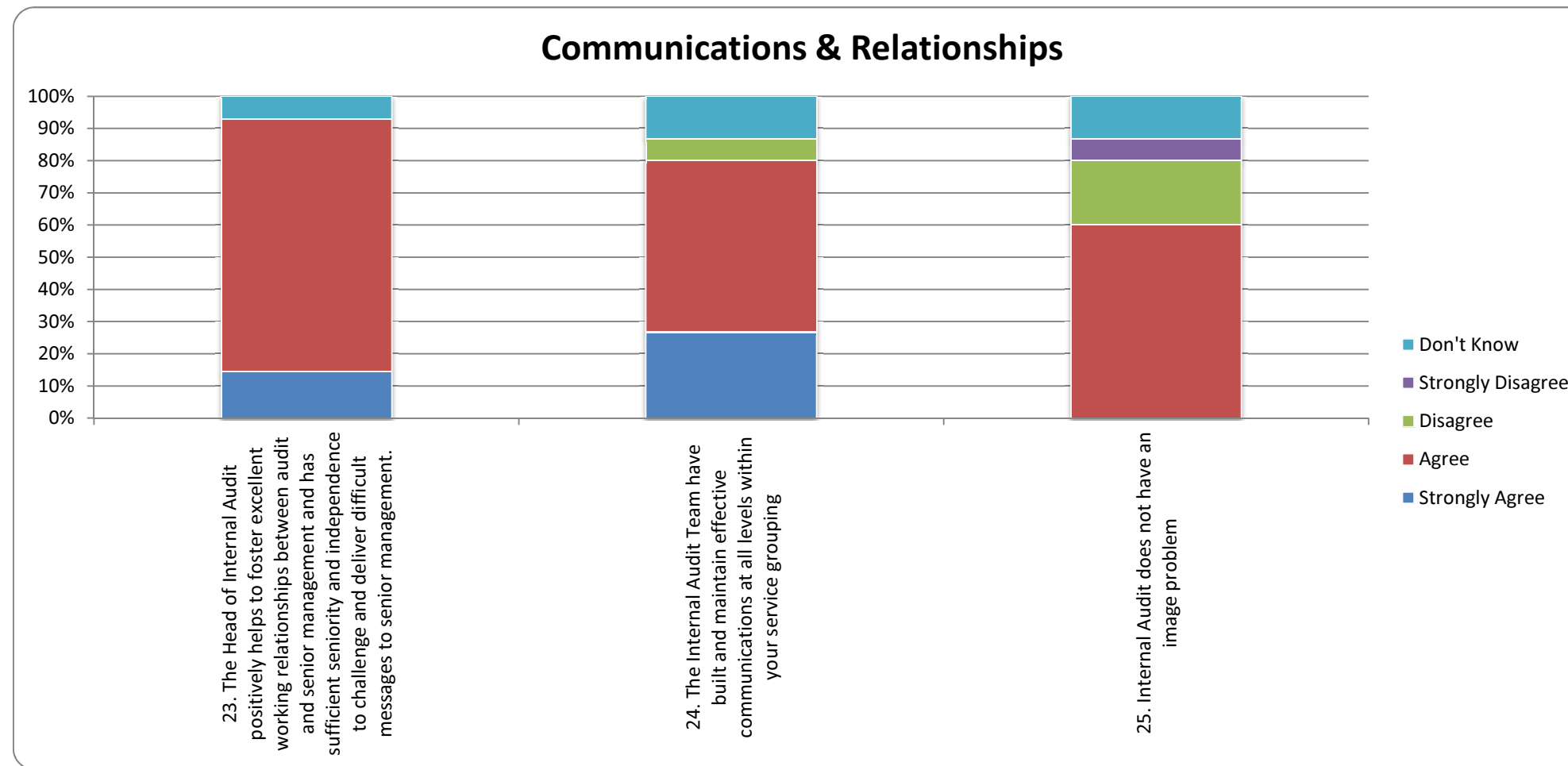
Additional Comments

- The use of clear TOR's and the CRA process for individual assignments has improved the focus of IA activity over recent years. The IA section are responsive to management concerns and take a risk based approach. I have always found the staff flexible and adaptive to the needs of the business and have used the team for a number of "special assignments" e.g. verifying the LCTSS tax base calculations; the recovery plan re Revs and Bens reconciliations in early 2012 etc.
- There needs to be a balance between what is dictated by service areas and what is deemed of interest/concern to Internal Audit. There does appear to be a good response and flexibility in adjusting plans where necessary.
- Needs to be more focus on high risk areas



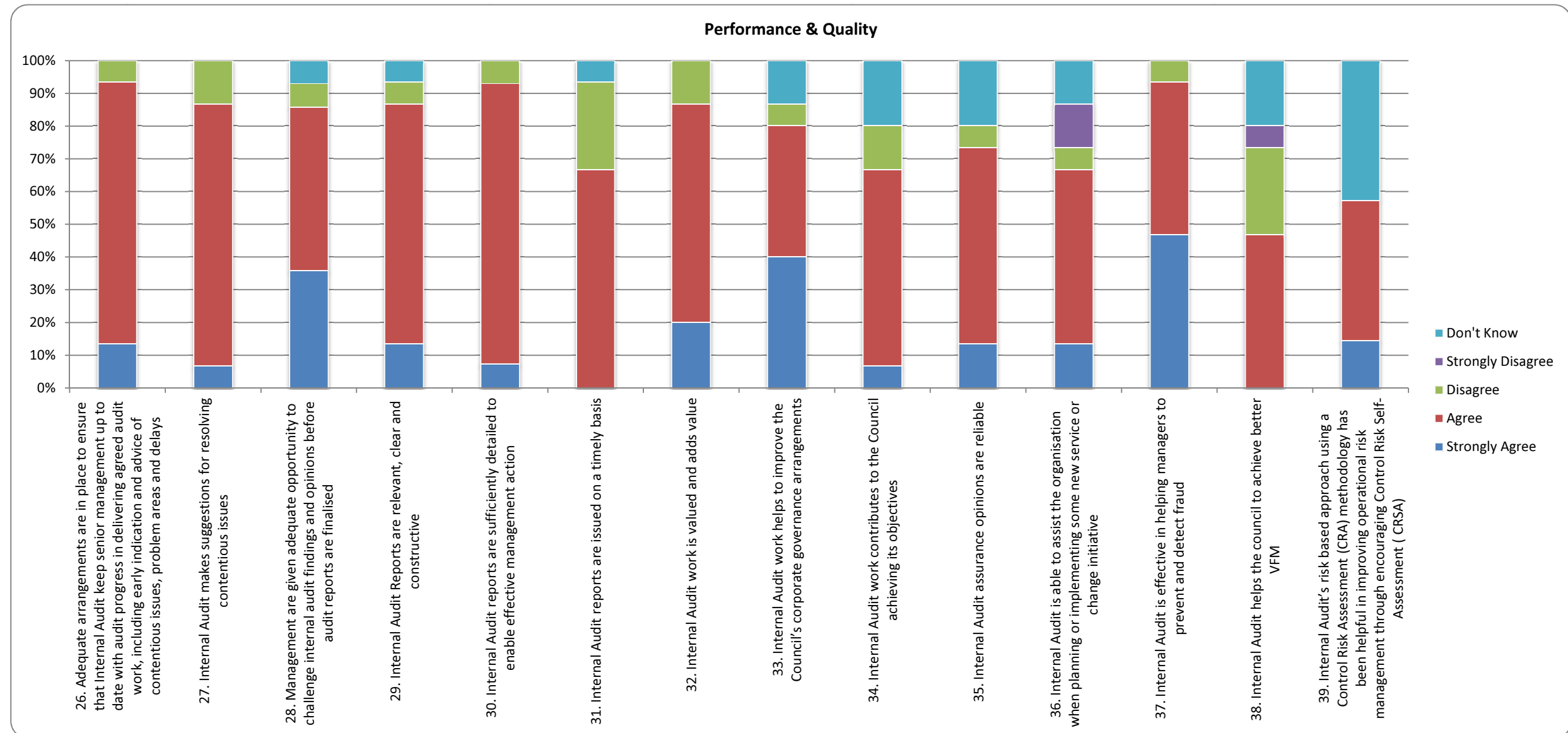
Additional Comments

- The relationship between the Audit Manager (Principal Auditors) and the audit staff on the ground appears to work well and there are clear frameworks around the process. The staff I have come across have been nothing but adaptive / willing to learn / open / challenging / professionally competent.
- The audit team shouldn't comment on high level technical issues until they have liaised with the relevant senior officer.
- Could do with more ICT focus



Additional Comments

- Excellent contact with management teams. Good relations overall, sometimes strained at times of high service demand, when there may not be an appreciation of service pressures and the hierarchy is chosen to elicit a response rather than personal contact with the manager. This however is improving from a mutual understanding of demands.
- IA will always suffer from an image problem due to the nature of their work, though this is not as bad as it was historically. A good IA review adds value / gives much needed assurance and in the main the majority of IA work achieves this. Sometimes there can be a tendency to make multiple recommendations when one is all that is required and there can be sometimes be inconsistency between audit judgements.
- Whilst the audit planned is prepared in consultation with HOS, I found the audit team are very helpful and can often accommodate changes to the programme in response to changes in the service and business needs within the service.
- Communications and relationships are good. If anything there could be a clear conclusion to audits at time.
- I think that the audit team do have an image problem although I am aware that work is on-going to improve this.
- I believe that the service is seen as one that seeks to find evidence of malpractice, rather than approaching an audit from an open mind.
- Won't Audit always have an image problem, just like ICT and accountants etc.?



Additional Comments

- Requires some further work; the recent audit on outside interests was very time consuming and could have been organised more efficiently.
- Particularly helpful in relation to responding to allegations of fraud or impropriety, often on top of the work programmes.
- The Council has only scratched the surface in terms of corporate fraud work / initiatives and much more could / should be done in this area. As noted earlier, there is a much more joined up approach now between IA and Service management in terms of developing / agreeing recommendations and the monitoring / reporting of delivery of these.
- Technical services have received a number of good internal audit reports within the past year which have added value. I have raised issues with Avril re the highway maintenance audit and I was pleased that we were able to work together to agree a mutually acceptable solution using a self assessment.
- The traditional areas of work, fraud etc, have clearer value, there is at times a question on the level of added value in value for money areas.
- I think that internal audit's strength is fraud detection, I am not convinced that it has the breadth of expertise required to audit many spheres of the council operation e.g. it may be able to establish if in house residential carers; road menders and lawyers could have better procedures, but may not be able to judge if they are doing the job to an adequate standard.
- Some of the issues I have are of our own making. We accept recommendations too readily and agree too short timescales. The fact that Paul visits our SMT monthly has made a huge improvement to our responses.
- My only comment would be for Audit reports to focus on major issues with less emphasis on minor findings.