

INTERNAL AUDIT REPORTING PROTOCOL

1. Executive Directors (the Responsible Directors) are designated as being responsible for liaising with Internal Audit within specified areas, consistent with the Scheme of Delegation.
2. The Responsible Director is contacted to ascertain whether they or an operational manager within the directorate (the Responding Officer) will review the Assignment Plan and clear the draft report.
3. The audit assignment plan is agreed with the Responsible Director/ Responding Officer prior to the commencement of the audit, and copied to the Director of Finance.
4. At the end of the audit, findings are discussed and agreed with the appropriate staff including the Responding Officer. If the audit findings relate to the work of any other department or have an impact on any other departments, an appropriate senior officer from within that area should be consulted on the report content. For example, where the report narrative or recommendations have a financial implication or comment on the work of the Finance Department, the Director of Finance or appropriate Assistant Director of Finance will be consulted and included in the distribution of the first draft of the report.
5. Following Regional Audit Manager and/or Chief Internal Auditor review, a draft report is issued to the Responding Officer/Responsible Director. In the covering e-mail the Responding Officer is asked to confirm the factual accuracy of the report and provide formal management responses to the recommendations within the report.
6. Following discussions with the Responding Officer/Responsible Director, management responses are recorded and line management responsibilities determined together with a timeframe for action. It is the responsibility of the Responding Officer/Responsible Director to ensure that the response reflects the official position of the Directorate and to obtain responses from any other relevant officers.
7. Within one week of the Directorate response the draft report is then issued to the Director of Finance for clearance and copied to the Responding Officer and Responsible Director so that they can confirm that their response has been recorded accurately.
8. Within one week following clearance by the Director of Finance the final report is issued by Internal Audit to the Responding Officer and Responsible Director, Director of Finance, Chief Executive, and External Audit.
9. Audit Committee members receive the Internal Audit reports as they are finalised by the Office Manager and a summary is provided as an appendix to the progress report issued by the Regional Audit Manager for the next Audit Committee.
10. All final audit reports are presented to the Senior Leadership Team.

Dispute resolution

11. In the event of a failure to receive a suitable response from the Responding Officer within the required timescale, or to reach agreement on a fundamental recommendation, the matter will be referred to the Responsible Director.
12. In the event of a failure to receive a suitable response from the Responsible Director within the required timescale, or to reach agreement on a fundamental recommendation, the matter will be referred to the Director of Finance and, if necessary, to the Chief Executive.

Appendix I

Assignment Milestone	Stage	Processes involved	Responsibilities	Response time
	Annual Audit Plan agreed	Formulated from Strategic Audit Plan for agreement by Audit Committee	Regional Audit Manager/ Chief Internal Auditor with Director of Finance	
1	Assignment Plan agreed	Terms of reference for the assignment agreed with Responsible Director and Responding Officer.	Regional Audit Manager with Responding Officer/ Responsible Director.	
2	Fieldwork commenced	Audit team conduct audit assignment in accordance with Assignment Plan	Principal/Auditor with co-operation of operational staff	
3	Fieldwork completed	Audit findings evaluated and draft report prepared for review	Principal/Auditor in discussion with operational staff prior to Audit Manager review	
4	Draft report issued to Directorate	Audit report issued to Directorate in draft for review and consideration of action plans. If audit findings relate to the work of any other department or have an impact on any other departments, an appropriate senior officer from within that area should be consulted on the report content.	Regional Audit Manager with Principal/Auditor to Responding Officer/ Responsible Director.	within 2 weeks of fieldwork end
5	Directorate response	Formal response required from Directorate to include completed time bound action plan matrix.	Responding Officer with agreement of Responsible Director	within 2 weeks of draft report release
6	Report issued to Director of Finance	Audit report reviewed for clearance from corporate financial perspective.	Regional Audit Manager	within 1 week of Directorate response
			Director of Finance/ Responding Officer/ Responsible Director	within 1 week of receiving report
7	Final Report released	Report issued in full to relevant officers and External Auditor. Executive summary to Audit Committee members.	Regional Audit Manager/Office Manager to Director of Finance, Responding Officer & Chief Executive	within 1 week of Director of Finance clearance

Appendix I

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