



ICL Pathway Ltd

INTERNAL AUDIT PLAN : 2000

Ref: IA/PLA/003

Version: 3.0

COMMERCIAL IN CONFIDENCE

Date: 12/07/2001

## 0.0 Document Control

### 0.1 Document History

Version No.	Date	Reason for Issue	Associated CP/PinICL
0.1	10/12/99	Initial draft	
0.2	18/01/00	Preliminary Plan plus manday estimates	
1.0	28/01/00	Raised to Issue status – minus manday estimates	
1.1	03/05/00	Quarterly update and plan revision for Q2 audits	
1.2	01/06/00	Includes restructuring to Q2 & Q3 planned audits	
1.3	05/07/00	Updated status of audits	
1.4	29/08/00	Updated status of audits	
2.0	04/01/01	Version 2.0 For Approval	
2.1	20/06/01	Final update to reflect end of year status	
2.2	05/07/01	Re-Written to conform to document template	
3.0	12/07/01	Version 3.0 for Approval	

### 0.2 Approval Authorities

Name	Position	Signature	Date
S. Muchow	Business Manager		
P. Jeram	Programme Director		

### 0.3 Associated Documents

Reference	Version	Date	Title	Source
CR/FSP/006			Audit Trail Functional Specification	PVCS
IA/MAN/005			Horizon System Audit Manual (CSR+)	PVCS
IA/MAN/003			Pathway Internal Audit Manual	PVCS

**Unless a specific version is referred to above, reference should be made to the current approved versions of the documents.**

### 0.4 Abbreviations/Definitions

Abbreviation	Definition

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### 0.5 Changes in this Version

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### 0.6 Changes Expected

Changes

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## 1.0 Introduction

Schedule A03 and Requirement 697 establish a right of audit access to ICL Pathway by POCL, their external auditors or other agents operating on their behalf. This could entail ICL Pathway being subject to a continual programme of audits by external organisations and the potential for disruption in normal operations. Audits carried out by these organisations will have their own objectives and any benefit to ICL Pathway would be secondary.

The Internal Audit function in ICL Pathway has been established to meet two key objectives :

- a. To provide the interface between ICL Pathway and POCL in the implementation of the requirements of the Audit Trail Functional Specification [1].
- b. To work with POCL in Joint Audits as described in the Horizon System Audit Manual (CSR) [2].
- c. To provide an independent audit capability within ICL Pathway, as a service to management, and on which POCL Internal Audit can potentially place their reliance.

The ICL Pathway Internal Audit function is described in the Internal Audit Manual [3].

## 2.0 Scope

This document describes a series of planned audits to be executed during 2000 in support of the objectives identified above.

The document does not include any sponsor organised audit activity.

## 3.0 Audit Plan Content

The Plan contains the following information :

- a. Identification of audit subject Area/System/Department.
- b. Shared Reporting Indicator (SRI). [Y = shared; N = internal]
- c. Planned start date.
- d. Actual start date.
- e. Completion date. (Defined as date Report issued).
- f. Audit Report Reference

## 4.0 Maintaining the Plan

The Plan will be updated on a quarterly basis to reflect any changes brought about by sponsor request and to firm up on dates left deliberately vague at the beginning of the year.

The details of Actual Start, Completion Date and Report Reference will also be added.

## 5.0 Audit Plan Rationale

### 5.1 Implementation 11Week Plan

This is the 11 week review period preceding the re-commencement of NRO (24/01/00) during which the organisation and processes of Implementation were subject to a major internal review activity. The audit will provide an independent assessment of the outcome of the review activity for the Pathway management team.

Basis : Risk.

### 5.2 Horizon System HelpDesk

This area has not been subject to any previous audit. Will include site security audit.

Basis : ISO Coverage/Supplier Mgt/VFM/Risk/Security

### 5.3 Technical Integration

This area was not audited during the CSR+ Development audit. The Systems Director has requested that this area be looked at. Full E2E activity to be considered including live support.

Basis : Business Effectiveness.

### 5.4 Quality & Risk Management

This area has not been subject to any previous audit.

Basis : ISO Coverage

### 5.5 Customer Services Management Processes

Earlier audits of CS have identified significant amounts of detailed procedure but not higher level management processes, eg. escalation, management information, performance measures, supplier management. This audit aims to identify and assess process at this level.

Basis : ISO Coverage

## 5.6 Resource Management/Personnel

Pathway consumes a considerable amount of resource and there is a mix of permanent and contract staff. The audit will assess the degree to which the selection, allocation and management of resource, particularly contract, is managed in the best interests of Pathway and ICL. Personnel will also be considered since they have not been subject to any previous audit.

Basis : ISO Coverage/Supplier Mgt/VFM

## 5.7 Commercial & Financial

This area has not been subject to any previous audit.

Basis : ISO Coverage

## 5.8 CSR to CSR+ Migration

This area is identified on all Delivery Manager's risk registers as high risk. The audit will consider how this is being managed. It will consider all aspects of migration, not just technical.

Basis : Risk

## 5.9 Data Centres

These areas have not been subject to any previous audit. Will include site security audit.

Basis : ISO Coverage/Supplier Mgt/VFM/Risk/Security

## 5.10 SSC

This is a particularly sensitive area of Customer Services with unprecedented access to live systems for support purposes. Previous audits have identified potential control weaknesses which management declare have been addressed. The audit will confirm the current arrangements and assess the strength of the controls in place. Will include a site security audit.

Basis : ISO Coverage/Risk/Security

## 5.11 PFI := T&M

The nature of the contract has changed from PFI to T&M. The audit will consider the readiness of Pathway's procedures, management controls and systems for this change.

Basis : Effectiveness/Risk

## 5.12 Supplier Management

This audit will draw together the findings of previous audits that have looked at individual supplier situations.

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Basis : ISO Coverage/Supplier Mgt/VFM/Effectiveness

### **5.13 Business Development/Customer Requirements**

Neither of these areas have been subject to previous audit. In addition there is the likelihood that new business opportunities will be emerging from the customer in the near future. The audit will consider the state of readiness for this and existing controls in place.

Basis : ISO Coverage/Effectiveness

### **5.14 Event Management**

It is by no means clear that an effective regime for the identification, selection, monitoring and review of events exists.

Basis : Effectiveness

### **5.15 Release Management**

During 1999 a new core business process, Release Management, was defined for Pathway. The audit will consider the deployment of this process and whether any benefit is accruing from its implementation.

Basis : Effectiveness

### **5.16 Joint Audit with POCL**

POCL Internal Audit have notified us of their intention to review the process of extracting transaction based information from the Data Warehouse for use in Invoicing. This they plan to do in September 2000. This work will be conducted under the Joint Working Framework, described in the Internal Audit Manual and agreed with POCL as part of Acceptance.

## **6.0 2000 Resume**

### **6.1 Overall**

Up to the middle of the year audits were conducted and reported with relatively little slippage against the plan. However, from August onwards the plan was not completed due to the departure of the Audit Manager and the Auditor. A replacement Auditor was introduced later in the year but was unable to make any inroads against the plan.

### **6.2 Audit Plan Execution**

17 audits were planned for the year. Of the 12 that were completed 7 commenced in the planned month, 2 suffered a 1 month slippage and 2 were started on month early. The Joint Audit with POCL started 4 months late but this was due to POCL delays.

5 audits remained uncompleted at the end of the year. Of these the Business Development/Customer Requirements audit has been accommodated in the New Business Introduction audit carried out during 2001.

### 6.3 CAP Clearance Rates

In terms of the completed work the rate of CAP clearance is varied.

CAP Ref	Subject	No. Action	Closure Rate
IA/CAP/010	Planning	6	3 immediate closure 1 @ 1 month to close 1 @ 3 months to close 1 @ 4 months to close
IA/CAP/014	Horizon System Helpdesk	10	1 immediate closure 2 @ 2 months to close 1 @ 4 months to close 4 @ 8 months to close 1 @ 10 months to close 1 remains open
IA/CAP/011	Technical Integration	8	2 immediate closures 1 @ 1 month to close 3 @ 3 months to close 1 @ 5 months to close 1 @ 9 months to close
IA/CAP/012	QRM	9	1 immediate closure 2 @ 5 months to close 2 @ 6 months to close 2 @ 8 months to close 2 @ 10 months to close
IA/CAP/013	Customer Services	9	1 immediate closure 1 @ 4 months to close 1 @ 5 months to close 1 @ 6 months to close 5 @ 9 months to close
IA/CAP/016	Resource Management	10	2 @ 1 month to close 1 @ 3 months to close 1 @ 4 months to close 2 @ 7 months to close 4 @ 9 months to close
IA/CAP/017	CSR+ Migration	18	3 immediate closures 4 @ 1 month to close 3 @ 2 months to close

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			1 @ 4 months to close 7 @ 7 months to close
<b>IA/CAP/018</b>	Invoicing Process	18	3 immediate closures 2 @ 4 months to close 2 @ 5 months to close 11 @ 6 months to close
<b>IA/CAP/019</b>	Supplier Management	9	2 immediate closures 1 @ 1 month to close 1 @ 2 months to close 5 @ 4 months to close

In all some 96 corrective actions were raised from the Yr2000 audits with the following closure rate :

16 Immediate closures	17%
9 @ 1 month to close	9%
6 @ 2 months to close	6%
5 @ 3 months to close	5%
12 @ 4 months to close	13%
6 @ 5 months to close	6%
14 @ 6 months to close	15%
9 @ 7 months to close	9%
6 @ 8 months to close	6%
10 @ 9 months to close	10%
3 @ 10 months to close	3%
1 open after 10 months	1%

The closure rate is disappointing and is not always attributable to external events. Greater management effort should be made to achieve faster closures and to report them to Audit rather than Audit having to continually chase/review action owners.

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## 7.0 ISO9001 Coverage by 2000 Audit Programme

ISO Reference	Pathway Internal Audits During 2000									BSI Pre-Assessments		
	Plan	Helpdsk	TI	QRM	CS Proc	Res/Per	CSR+	Invoice	Supplr	Mar 00	Apr 00	Nov 00
4.1 Management Responsibility			1	1		7	3					
4.2 Quality System	2		5	5	5		1	10				1
4.3 Contract Review						1	1	2				
4.4 Design Control							4			1		
4.5 Document and Data Control	3	5				1	2	5	5	1	2	1
4.6 Purchasing											1	
4.7 Control of Customer Supplied Product					2							
4.8 Product Identification and Traceability				1								
4.9 Process Control				1		2		1	2		3	1
4.10 Inspection and Testing							2			1		1
4.11 Cntl of Insp't'n, Measuring & Test Eqpt.										1		
4.12 Inspection and Test Status							1				1	
4.13 Control of Non Conforming Product					1							
4.14 Corrective and Preventive Action		5		1	4		3		1	1	2	
4.15 Hand'g, Storage, Pkg, Preservation & Del.												
4.16 Control of Quality Records			1				1	1	1	1	1	1
4.17 Internal Quality Audits												
4.18 Training	1		1	1								
4.19 Servicing												1
4.20 Statistical Techniques											1	
<b>CAPs &amp; BSI Non Conformances Total (Open)</b>	<b>6</b>	<b>10</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>18</b>	<b>19</b>	<b>9</b>	<b>6</b>	<b>11</b>	<b>6</b>

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## 8.0 Internal Audit Plan : 2000

Audit Ref.	Subject Area/Product	SRI	Planned Start	Actual Start	Complete	Report Ref.	CAP Ref.
	Implementation 11 Week Plan	N	January	12/01/00	15/02/00	IA/REP/019	N/A
3/4/15	Planning Process (Programme Office)	N	January	13/01/00	11/02/00	IA/REP/020	IA/CAP/010
3/4/16	Horizon System HelpDesk	N	February	16/02/00	28/04/00	IA/REP/022	IA/CAP/014
3/4/13	Technical Integration	N	February	02/02/00	31/03/00	IA/REP/021	IA/CAP/011
3/4/17	Quality & Risk Management	N	March	16/02/00	12/04/00	IA/REP/023	IA/CAP/012
3/4/18	Customer Services Management Processes	N	March	03/04/00	20/04/00	IA/REP/025	IA/CAP/013
3/4/19	Resource Mgt/Personnel (Includes Supp Mgt for Resources)	N	May	06/06/00	09/06/00	IA/REP/027	IA/CAP/016
3/4/22	CSR+ Migration	N	June	19/06/00	12/07/00	IA/REP/028	IA/CAP/017
3/4/27	Data Centres	N	July	10/07/00	11/07/00	IA/REP/026	N/A
3/4/14	Invoicing Process	N	July	20/07/00	29/08/00	IA/REP/029	IA/CAP/018
3/4/21	Supplier Management - Training	N	August	24/07/00	04/08/00	IA/REP/030	IA/CAP/019
3/4/20	SSC	N	August	Not done			
3/4/26	Operations Services (Includes Supplier Management for OSD)	N	t.b.a.	Not done			
3/4/28	Invoicing/Data WareHouse [POCL Initiated]	Y	September				
3/4/23	Business Development/Customer Requirements	N	Q4	To 2001			
3/4/24	Event Management	N	Q4	Not done			
3/4/25	Release Management	N	Q4	Not done			

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