

AUDIT COMMITTEE

26 APRIL 2023

AUDIT SERVICES – EXTERNAL QUALITY ASSESSMENT PEER REVIEW

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to advise Members of the results of the External Quality Assessment Peer Review of the Internal Audit Service.

Information and Analysis

1. The Internal Audit Service is required to comply with the International Standards for Internal Audit. The Chartered Institute of Public Finance and Accountancy (CIPFA) have produced an application note for public sector internal audit teams. A key component of the standards is for Internal Audit teams to validate their compliance with the standards externally at least once every 5 years.
2. CIPFA were commissioned to undertake an external assessment of the service. The review was completed during December 2022 on the basis of a validation of our own self-assessment. There were a number of components to the assessment:
 - Review of the Audit Manual
 - Interviews with Audit Staff
 - Interviews with Senior Managers/Members
 - Satisfaction Survey
 - Review of other documentation including committee reports
3. We have now received the final version of their report and this is attached at Appendix A. The results of the exercise have confirmed that the service is fully compliant with all aspects of the standards. There are 4 areas where advice has been given to improve the service further, 3 of which relate to introducing wording to reports/documents to further strengthen these and the final advisory relates to an acknowledgement of wider sector issues relating to the recruitment of staff.
4. We have also received some very positive feedback around our approach to delivering the service, specifically the strong links with risk, the clarity of our reporting and our use of dashboards to provide managers with live data on the results of audit work. It was recognised we are a forward-thinking service that is well positioned to drive change and improvement across the authority. There is likely to be a request to showcase our approach at a future CIPFA Better Governance Forum event.

Recommendation

2. It is recommended that :-

- a. That the Audit Committee notes the outcome of the review (**Appendix A**).

Reason

3. The recommendation is supported as it comprises part of the Council's corporate governance arrangements.

Andrew Barber
Audit and Risk Manager

Background Papers

(i) Audit Risk Assessment Information

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S17 Crime and Disorder	Other than any special investigation work required there is no crime and disorder impact.
Health and Well Being	There is no specific health and well being impact.
Carbon Impact	There is no specific carbon impact.
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
Council Plan	There is no specific relevance to the strategy beyond the report comprising part of the Council's governance arrangements.
Efficiency	There is no specific efficiency impact.