

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	24 July 2019
Subject:	Internal Audit Quality Assurance and Improvement Programme
Report of:	Chief Audit Executive (Head of Corporate Services)
Corporate Lead:	Chief Executive
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	1

Executive Summary:

In accordance with standard 1300 of the Public Sector Internal Audit Standards (PSIAS), the Chief Audit Executive (CAE) must develop and maintain a quality assurance and improvement programme that covers all aspects of internal audit activity. For Tewkesbury Borough Council, as defined in the Internal Audit Charter, the Head of Corporate Services undertakes the role of CAE.

Recommendation:

To CONSIDER the contents of the quality assurance and improvement programme.

Reasons for Recommendation:

The work of internal audit complies with the Public Sector Internal Audit Standards (PSIAS). These standards state that the Chief Audit Executive (CAE) must report functionally to the board. Reporting of the quality assurance and improvement programme helps demonstrate this report requirement.

Resource Implications:

None arising directly from this report.

Legal Implications:

None.

Risk Management Implications:

If the CAE does not report functionally to the board then this does not comply with PSIAS. If the Internal Audit Team does not continually challenge itself to improve then potentially it will not maximise its value to support the Council in achieving its objectives.

Performance Management Follow-up:

Elements of the quality assurance and improvement programme will be contained within the internal audit monitoring report, which is reported to committee on a quarterly basis. Progress in delivering the actions within the quality assurance and improvement programme will also be summarised and reported on an annual basis to Audit and Governance Committee.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 In accordance with standard 1300 of the Public Sector Internal Audit Standards (PSIAS) the Chief Audit Executive (CAE) must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. For Tewkesbury Borough Council, as defined in the Internal Audit Charter, the Head of Corporate Services undertakes the role of the CAE.

2.0 QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

2.1 The quality assurance element of the programme summaries the rigorous audit process to ensure all audits are completed to a consistent and high standard. The quality assurance and improvement programme is representative and proportionate to reflect the small size of the Internal Audit Team.

2.2 An initial quality assurance and improvement programme was first presented to Committee in September 2017. This was subsequently subsumed by an independent external review of the internal audit activity which was undertaken during November 2017. This review was in compliance with PSIAS which requires such a review to be undertaken at least every five years.

2.3 The final report on the external review was presented at Audit Committee in March 2018. It was pleasing to report that the review concluded there were no areas of non-compliance that would affect the overall scope or operation of the internal audit activity.

2.4 As would be expected of a detailed review, recommendations to further improve the effectiveness of the internal audit activity were made and accepted. Succinctly, the recommendations could be categorised as follows:

- Amendments to the Internal Audit Charter to define more clearly parts of the internal audit activity.
- Formal safeguards to maintain the independence of the CAE.
- Undertake audit planning by using a more strategic focus.
- Revision of audit documentation to improve the audit planning process.

2.5 Progress in implementing the recommendations have been reported to the previous Audit Committee during the course of 2018/19. For example, the approval of a revised Internal Audit Charter by Audit Committee in July 2018 and the revision of audit documentation including a new reporting template.

- 2.6** In light of the fairly recent review but also demonstrating good practice, a high-level desktop assessment has been undertaken against PSIAS. This gives assurance the internal audit activity remains compliant with PSIAS. This has been circulated and signed-off by the internal Corporate Governance Group.
- 2.7** The quality assurance and improvement programme incorporates any remaining actions from the original PSIAS review and includes actions the Internal Audit Team feel will add value to the service. The quality assurance and improvement programme is attached at Appendix 1. Actions outstanding from the original PSIAS review are annotated with an asterisk. Progress on compliance with this assurance programme and delivery of the improvement actions will be reported to Audit and Governance Committee through a combination of the quarterly internal audit monitoring report and an annual report.
- 3.0 OTHER OPTIONS CONSIDERED**
- 3.1** None.
- 4.0 CONSULTATION**
- 4.1** None.
- 5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**
- 5.1** Internal Audit Charter and Internal Audit Annual Plan
- 6.0 RELEVANT GOVERNMENT POLICIES**
- 6.1** None
- 7.0 RESOURCE IMPLICATIONS (Human/Property)**
- 7.1** Actions to be delivered within existing resources.
- 8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 8.1** None.
- 9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 9.1** Internal Audit contributes to value for money through its improvement work and specific actions with the improvement programme may delivery value for money outcomes.
- 10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 10.1** None.

Background Papers: None

Contact Officer: Graeme Simpson, Chief Audit Executive
Tel: 01684 272002
Email: graeme.simpson@teWKesbury.gov.uk

Appendices: Appendix 1 - Quality Assurance and Improvement Programme