

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	24 March 2022
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 compliance with PSIAS.

Resource Implications:

None arising directly from this report.

Legal Implications:

None.

Risk Management Implications:

If the CAE does not report functionally to the board, this does not comply with PSIAS. If the Internal Audit team does not continually challenge itself to improve, 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 each Audit and Governance Committee. Progress in delivering the actions within the Quality Assurance and Improvement Programme will also be summarised and reported on an annual basis.

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 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. The proposed Quality Assurance and Improvement Programme is attached at Appendix 1.

2.2 As per PSIAS, the Quality Assurance and Improvement Programme is designed to enable an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

2.3 Standards 1311 and 1312 of PSIAS require the Quality Assurance and Improvement Programme must include both internal and external assessments. With regards to the former, this refers to the ongoing monitoring of the service and relates to the integral day-to-day supervision, review and measurement of the internal audit activity. With regards to the latter, this is an independent review of internal audit that must be carried out by a qualified assessor, at least once every five years.

2.4 To demonstrate conformance with the Code of Ethics and the Standards, the results of external and periodic internal assessments should be communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. In practical terms, with regards to internal assessments, this is generally achieved through the regular internal audit monitoring report and the CAE's annual report. With regards to an external assessment, then the final report would be presented to the Committee.

2.5 The previous external assessment was undertaken in November 2017 with a formal report presented to the then Audit Committee on 28 March 2018. In compliance with PSIAS, an assessment is therefore due in 2022. A pragmatic approach would be to undertake this during the latter quarter of 2022/23. This would enable the internal audit function to be fully recovered as a result of the team's previous redeployment to the Council's COVID-19 response. The Committee will be updated as this progresses.

2.6 The improvement element of the Quality Assurance and Improvement Programme has been translated into a high level service plan for internal audit. In particular, this includes actions around the recovery of the internal audit function which is a key action within the Corporate COVID-19 Recovery Plan.

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

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Public Sector Internal Audit Standards (PSIAS)

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 There will be financial resource requirements with individual actions e.g. undertaking of an external assessment.

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 VFM through their improvement work and specific actions with the improvement programme may delivery VFM outcomes.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None

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Appendices: Appendix 1 - Quality Assurance and Improvement Programme