

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit & Governance Committee
Date of Meeting:	19 July 2023
Subject:	Internal Audit Quality Assurance and Improvement Programme
Report of:	Chief Audit Executive (Director: Corporate Resources)
Head of Service/Director:	Executive Director: Resources and S151
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 (QAIP) that covers all aspects of internal audit activity. For Tewkesbury Borough Council, as defined in the Internal Audit Charter, the Director of Corporate Resources undertakes the role of CAE.

Recommendation:

To CONSIDER the 2023/24 Quality Assurance and Improvement Programme.

Financial Implications:

There will be a cost associated with an external assessment of the internal audit functions conformance with PSIAS. The CAE, Section 151 Officer and Chair of Audit and Governance Committee will consider the scope and approach to the assessment and report back to the Committee. Costs will be met from existing approved budgets.

Legal Implications:

The provision of internal audit is a statutory requirement for all local authorities. The internal audit function is required to operate in accordance with the PSIAS. These standards state that the CAE must report functionally to board as well as develop and maintain a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity.

Environmental and Sustainability Implications:

None arising directly from this report.

Resource Implications (including impact on equalities):

None arising directly from this report.

Safeguarding Implications:

None arising directly from this report.

Impact on the Customer:

None arising directly from this report.

1.0 INTRODUCTION

- 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 (QAIP) that covers all aspects of the internal audit activity. For Tewkesbury Borough Council, as defined in the Internal Audit Charter, the Director of Corporate Resources undertakes the role of the CAE.

2.0 IMPLEMENTATION OF 2022/23 QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME ACTIONS

- 2.1 It is pleasing to report that good progress has been made against the implementation of the 2022/23 QAIP actions as follows:
- A review of the service delivery model of the internal audit function has been completed. Under the Council's new management structure, a new Head of Audit and Governance post was created and successfully filled. This provides more resilience and a more sustainable delivery model for the team.
 - A member of the team, the now Head of Audit and Governance, successfully completed their masters degree in Internal Audit Management in March 2023.
 - New bi-annual audit plans have been introduced and provide greater flexibility.
 - A new Internal Audit Charter was approved in November 2022.
- 2.2 Any outstanding actions that remain pertinent to the delivery of the internal audit function have been included in the 2023/24 QAIP action plan.

3.0 QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2023/24

- 3.1 The proposed QAIP for 2023/24 is attached at Appendix 1. This has been developed to be representative and proportionate to reflect the small size of the Internal Audit team. The quality assurance element of the programme summaries the audit process to ensure all audits are completed to a consistent and high standard.
- 3.2 In accordance with the PSIAS, the QAIP is designed to enable an evaluation of internal audit'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.
- 3.3 Standards 1311 and 1312 of the PSIAS require that the QAIP 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.
- 3.4 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. In practical terms, with regards to internal assessments, this is achieved through the regular internal audit monitoring report and the CAE's annual report. With regards to external assessments, findings are presented to the Committee.

3.5 The previous external assessment was undertaken in November 2017 with a formal report presented to the then Audit Committee on 28 March 2018. With regards to the next external assessment, to 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, a pragmatic approach has been taken and this has been scheduled in the 2023/24 QAIP action plan for completion by March 2024. The Committee will be updated as this progresses.

4.0 CONSULTATION

4.1 None.

5.0 ASSOCIATED RISKS

5.1 If the CAE does not report functionally to the Board, as well as develop and maintain a QAIP, then 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.

6.0 MONITORING

6.1 Elements of the QAIP 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 QAIP will also be summarised and reported on an annual basis.

7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

7.1 The work of internal audit supports the internal control, risk mitigation and governance of Council Plan priorities.

Background Papers: Internal Audit Quality Assurance and Improvement Programme
2022/23- Audit and Governance Committee 24 March 2022

[PSAIS 1 April 2017.pdf \(publishing.service.gov.uk\)](#)

Contact Officer: Chief Audit Executive (Director: Corporate Resources)
01684 272002 graeme.simpson@teWKesbury.gov.uk

Appendices: Appendix 1 - 2023/24 Quality Assurance and Improvement Programme