

Internal Audit

Quality assurance and improvement programme

Quality Assurance and Improvement Programme

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 CAE. The QAIP must include both internal assessments and external assessments. The programme has been developed so it is proportionate and practical for the small size of the internal audit team (2FTE).

Bi-Annual Plan

The work of the team is directed by a bi-annual audit plan. The six monthly plan is drawn together by the CAE. For further quality assurance purposes, the plan is presented at leadership team for endorsement before it is presented to Audit and Governance Committee for formal approval.

Once approved the plans are profiled in consultation with relevant managers. The plan is monitored regularly by both the CAE and Head of Audit and Governance. Progress on delivering the plan is also discussed at regular team meetings. Progress on delivery of the plan is reported to each Audit and Governance Committee meeting. In addition, a regular meeting is held with the Lead Member for Corporate Governance and the Chair of Audit and Governance Committee to update on internal audit related work.

Internal Audit Process - overview

During the course of the audit, individual auditors tend to work on their own initiative. If need be, the small size of the team does make it easy for auditors to discuss any issues that may arise, particularly if it requires management input either from the Head of Audit and Governance or CAE.

Prior to undertaking an audit, the assignment brief (scope of the work to be undertaken) will be discussed with the client. This will include, but is not limited to, the identification of the key risks of the area to be audited, particularly if it is a new area of audit or there have been fundamental changes to a current system. All assignment briefs will be reviewed and approved by the CAE.

All subsequent working papers will be quality assured by the Head of Audit and Governance, and they will be dated and initialled as evidence of the quality check. A review sheet will be completed by the Head of Audit and Governance of questions arising as a result of the quality assurance review. The auditor will respond to these and all responses will be documented on the review sheet and signed off.

Following completion of all working papers, findings are summarised within a draft report including any recommendations. Each internal control element of the system or area audited will draw a conclusion on how well managed that element is. The number and significance of recommendations made will directly

inform that conclusion. The Head of Audit and Governance and CAE will review all draft reports.

Following a supervisory review of all audit documentation, the draft report will be issued to the client for approval. The client will naturally quality assure these, for example to ensure they are factually accurate. If there are any significant changes to the draft report or recommendations these will be agreed with the CAE.

Once finalised, the final report will be submitted to the CAE to formally sign the audit off by making comments and deciding if there is any further action. For example, to raise any findings with senior management or if any future audit work is required.

The time taken on individual audits is recorded on a daily work log. There are allocated days within the audit plan to follow up audit recommendations to determine if they have been implemented. Clients are notified on a quarterly basis of outstanding recommendations and these are also raised by the CAE at leadership team. The progress in implementing recommendations are reported to Audit & Governance committee with escalation procedures in place should the recommendation not have been implemented.

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Client Survey

The final report and recommendations are sent to the client together with a client survey form. The completion of the form is encouraged but is not mandatory. Completed forms are returned to the CAE for review and appropriate action taken where necessary. Every two years, a survey will be sent to extended leadership team. This is different to the operational type survey and is more strategic in nature. For example, to ask questions around the value of internal audit.

Chair of Audit & Governance Committee and Lead Member engagement

The quality assurance and improvement programme, together with an overview of internal audit work undertaken forms part of a regular discussion with relevant members.

Performance Indicators

By applying the requirements of PSIAS this naturally contributes to the effectiveness of the internal audit team. In addition, and without creating an industry, the team will have a small basket of performance indicators. These will be kept under review annually.

Knowledge and Networking

It is important the team keep abreast of local and national news that affect the work of internal audit. This is achieved through a number of ways;

External focus

- Continuing professional development
- Membership of the Institute of Internal Auditors
- Subscription to CIPFA
- Participants in the Midland Internal Audit Group
- Ad hoc training courses

The team also need to be in touch with what is going on internally within the council;

Internal focus

- Membership of Programme Board – provides oversight on corporate projects
- Attendance at Information Governance and Security Board
- Team is set up on draft committee report distribution list
- Representation on project teams or other key corporate groups
- CAE sits on leadership team and has direct access to Chief Officer Group

Personal, Professional Development (PPD)

In line with the council's HR procedures, each member of the team participates in an annual PPD appraisal. This is supported with less formal but regular meetings during the course of the year. The PPD creates dialogue around individual performance, training and development.

Internal assessments

This will be achieved through ongoing monitoring of the performance of the internal audit activity by the CAE. For example, through monthly team meetings, performance indicator outturn figures, 1-2-1 meetings, feedback from other management team members, reporting to the Audit and Governance Committee and reporting to Members generally. The CAE also has regular 1-2-1 meetings with the Executive Director Resources and S151 and the Chief Executive.



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External assessment

An external assessment of the internal audit function will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The CAE will agree the approach of the assessment and the appointment of the assessor with the Executive Director Resources and S151 and the Chair of Audit and Governance Committee. The committee itself will be updated prior to engagement and will obviously be presented with the findings of the assessment.

monitored and reported to the Audit and Governance Committee through the CAE's annual report. The improvement programme for 23/24 is attached in Appendix 1.

Reporting to Audit & Governance Committee

As part of the CAEs annual report, this will include details on compliance with the quality assurance framework and progress on implementing actions within the improvement programme.

Improvement programme

The audit team recognise it is important to continually review practices and implement improvement initiatives where possible. The improvement aspect of the QAIP has been translated into an annual action plan. The action plan will be



ACTION	DATE	OFFICER RESPONSIBLE
1 Undertake a review of internal audit documentation and processes including: <ul style="list-style-type: none"> - Finalisation of an internal audit manual - Audit recommendation follow-up procedure 	September 2023	Head of Audit and Governance
2 Develop and implement a risk based internal audit plan to: <ul style="list-style-type: none"> - Ensure the service is focussing its efforts on providing assurance on the council's top risks. - Identify where external expertise may be required i.e. ICT related audits 	September 2023	Director of Corporate Resources and Head of Audit and Governance
3 In compliance with the Public Sector Internal Audit Standards (PSIAS), procure and prepare for an independent external assessment.	March 2024	Director Corporate Resources
4 Undertake a review of key performance indicators for the internal audit service.	September 2023	Head of Audit and Governance
5 Develop constructive engagement with the council's new external auditors.	March 2024	Head of Audit and Governance and Director of Corporate Resources
6 Identify appropriate training for the internal audit team to support their ongoing professional development.	March 2024	Head of Audit and Governance