

AGENDA ITEM

REPORT TO AUDIT COMMITTEE

23 MARCH 2022

REPORT OF DIRECTOR OF CORPORATE SERVICES

EXTERNAL QUALITY ASSESSMENT PEER REVIEW

SUMMARY

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

RECOMMENDATION

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

DETAIL

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.

FINANCIAL AND LEGAL IMPLICATIONS

None directly

RISK ASSESSMENT

None.

COMMUNITY STRATEGY IMPLICATIONS

None

CONSULTATION

N/A

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