

INTERNAL AUDIT – EXTERNAL QUALITY ASSESSMENT AND IMPROVEMENT PLAN

Relevant Portfolio Holder	Cllr Ian Woodall
Portfolio Holder Consulted	Yes
Relevant Head of Service	Peter Carpenter, S151 Officer
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Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Good Governance & Risk Management underpins all the Strategic Purposes.
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATION

- 1.1 **The Audit, Governance and Standards Committee notes the report.**

2. BACKGROUND

- 2.1 The purpose of this report is to inform members of the results of the recent Internal Audit independent External Quality Assessment (EQA) and associated Quality Assurance and Improvement Policy and Plans.
- 2.2 The Public Sector Internal Audit Standards (the Standards) were adopted by the Chartered Institute of Public Finance and Accountancy (CIPFA) from April 2013. The Standards are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of Internal Audit across the public sector.
- 2.3 The objectives of the Standards are to:
- Define the nature of internal auditing within the public sector; and
 - Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations.

- 2.4 The Standards require that an independent External Quality Assessment (EQA) of the internal audit service be completed every 5 years. An EQA has just been completed in May 2024, and the results confirm that the service is operating **in General Conformance to the Standards**. This is the highest of the three available assessment grades. The findings of the external assessment (included at Appendix A) have been used to develop a continuous improvement action plan (included at Appendix B).
- 2.5 To support continued improvement against this positive outcome, a new Quality Assurance and Improvement Policy has also been developed, and this is included at Appendix C. This:
- Sets out required service standards
 - Will help to ensure compliance with those standards
 - Provides assurance to stakeholders that sound arrangements are in place to ensure internal audit work is of good quality and that the service is striving for continuous improvement
 - Provides a framework against which service performance can be evaluated
 - Meets the recommendations of the EQA

3. Financial Implications

- 3.1 There are no direct financial implications arising out of this report.

4. Legal Implications

- 4.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2018 to “maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of internal control”.

To aid compliance with the regulation, the Institute of Internal Auditors Public Sector Internal Audit Standards (as amended) details that “Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes”.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 Good governance along with risk management underpin all the Corporate strategic purposes. This report provides an independent assurance over certain aspects of the Council's operations.

Climate Change Implications

5.2 There are no climate change implications arising from this report.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

6.1 There are no implications arising out of this report.

Operational Implications

6.2 There are no new operational implications arising from this report.

7. RISK MANAGEMENT

There are no risks arising directly from this report.

8. APPENDICES and BACKGROUND PAPERS

Appendix A ~ External Quality Assessment Executive Report

Appendix B ~ WIASS Improvement Plan

Appendix C ~ Quality Assurance and Improvement Policy.