



QUALITY ASSUARANCE AND IMPROVEMENT POLICY

SEPTEMBER 2024

QUALITY ASSURANCE AND IMPROVEMENT POLICY

1. INTRODUCTION

- 1.1 Internal auditing is defined as “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”. (Source: Public Sector Internal Audit Standards – PSIAS).
- 1.2 The Council’s internal audit function aims to meet the expectations of its stakeholders and deliver consistently high-quality services. This requires a lot of effort and commitment to identify and consistently apply effective professional practice. This is why PSIAS Standard 1300 requires the Head of Internal Audit to develop and maintain a Quality Assurance and Improvement Policy (QAIP).
- 1.3 The QAIP is designed to provide reasonable assurance to the various stakeholders of Worcestershire Internal Audit Shared Service (WIASS) that Internal Audit:
 - Performs its work in accordance with its Charter, which is consistent with the PSIAS, Definition of Internal audit and Code of Ethics
 - Operates in an effective and efficient manner; and
 - Is perceived by stakeholders as adding value and continually improving the Council’s operations.
- 1.4 The QAIP covers all aspects of the Internal Audit activity. The PSIAS states that the QAIP must include both internal and external assessments. Internal assessments are both ongoing and periodical and external assessments must be undertaken at least once every five years.
- 1.5 The Head of Internal Audit is ultimately responsible for the QAIP.

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2. INTERNAL ASSESSMENTS

2.1 In accordance with PSIAS Standard 1300, internal assessments are carried out through both ongoing and periodic reviews.

Ongoing Reviews

2.2 Ongoing reviews are conducted through:

- Supervision of all engagements
- Regular, documented review of audit brief and working papers
- Audit Manual setting out the procedures used for each engagement to ensure consistency, quality and compliance with appropriate planning, fieldwork and reporting standards
- Feedback from customer surveys on individual engagements
- Monitoring of performance against agreed performance indicators and regular reporting to the partner Audit, Governance and Standards Committee, Senior Management Team (or equivalent), and the Client Officer Group (COG)
- All draft and final reports, recommendations and levels of assurance are reviewed and approved by the Head of Internal Audit.
- Follow up and reporting on the implementation of actions agreed at the end of each engagement

Periodic Reviews

2.3 Periodic reviews are designed to assess conformance with the PSIAS and the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders.

2.4 Periodic assessments will be conducted through:

- Quarterly Progress Reports to the Audit, Governance and Standards Committee which includes progress against the annual plan, reports issued during the period, details of the opinions, and summaries of key issues and outcomes from the work undertaken
- Annual review of compliance against the requirements of the QAIP, the results of which are reported to senior management and the Audit Governance and Standards Committee
- Feedback from the Section 151 Officers, COG, and Chair of the Audit Governance and Standards Committee to inform the annual appraisal of the Head of Internal Audit in accordance with Standard 1100
- An annual self-assessment against the PSIAS
- Periodic Skills and Competency exercise for each Internal Auditor

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- 2.5 Significant areas of non-compliance with PSIAS identified through internal assessments will be reported in the Internal Audit Annual Report and used to inform the Council's Annual Governance Statement (AGS).
- 2.6 Results of internal assessments will be reported to the Audit Governance and Standards Committee at least annually. The Head of Internal Audit will implement appropriate follow-up to any identified actions to ensure continual improvement of the service.
- 2.7 The Head of Internal Audit will also periodically identify improvement requirements, for example in respect of audit planning, assurance mapping, audit processes, counter fraud, skills development for the team, audit profile and performance.

3. EXTERNAL ASSESSMENTS

- 3.1 An external assessment will occur at least once every five years as required by the PSIAS. This process will express an opinion about Internal Audit's conformance with the PSIAS, Definition of Internal Audit and Code of Ethics and include recommendations for improvement, as appropriate.
- 3.2 The appointment of the External Assessor and scope of the External Assessment will be approved by the Audit Governance and Standards Committee.
- 3.3 The results of external assessments will be reported to the Audit and Governance Committee, COG, and Section 151 officers within a reasonable timeframe following receipt of the external assessor's report. The external assessment report will be accompanied by a written action plan in response to significant findings and recommendations contained in the report.
- 3.4 The Head of Internal Audit will implement appropriate follow-up actions to ensure that recommendations made in the report and action plans developed are implemented in a reasonable timeframe.

4. REVIEW OF THE POLICY

- 4.1 This document will be subject to periodic review and will be updated accordingly following any changes to the PSIAS or the operating environment of internal audit.

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5. TIMELINE OF ASSESSMENT WORK

5.1 The following table sets out the timeline and frequency of the assessment work:

Nature of Assessment Work	Timeline and Frequency
Engagement supervision	Ongoing
Reviews of audit brief and working papers	Ongoing
Compliance with the Audit Manual	Ongoing
Review of audit work completed by the Head of Internal Audit	As and when required
Report consultation process	At completion of each assignment
Customer feedback	At completion of each assignment
Progress and performance monitoring	Aligned with Audit and Governance Committee and COG meetings
Progress reporting on improvement plan	Aligned with Audit and Governance Committee and COG meetings
Head of Internal Audit or Senior Auditor review and approval of: <ul style="list-style-type: none"> • Draft and final reports • Recommendations • Levels of assurance • Risk exposure assessments 	Ongoing
Follow up and reporting on the implementation of agreed audit actions	Aligned with each Audit Governance and Standards Committee meeting
Skills and Competency Exercise for Internal Auditors	Annually
Incorporating input from key client officers and Audit Committee Chairs when evaluating the performance of the Head of Internal Audit	Annually
PSIAS self-assessments	Annually
Review of compliance with this QAIP	Annually
External assessment	Every 5 years

6. PERFORMANCE MANAGEMENT

6.1 The following performance targets have been established for 2024/25:

Description	Narrative	Target
Delivery	% of audit days delivered by Year End	90%
Productivity	% of available time spent on productive audit work	80%
Effectiveness	% of agreed recommendations implemented by the target date	75%
Customer Satisfaction	% of Post Audit Questionnaires which have rated the service as "Very Good" or "Good"	80%