

Summary of Measures to demonstrate the effectiveness of Internal Audit – 2015-16 Review

Measure	Finding
Review of the Internal Audit team against proper practice, as defined as the <i>Public Sector Internal Audit Standards and the CIPFA Local Government Application Note to the Public Sector Internal Audit Standards</i> .	The Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note to the Public Sector Internal Audit Standards were introduced as proper Practice from 1 April 2013. A self-assessment was conducted in May 2016 which confirmed that the team are considered to be working in compliance with the PSIAS overall with some minor areas for development. Internal Audit teams are required to be externally assessed against the PSIAS once in a five-year period. An EQA has therefore been arranged in June 2016 and results will be reported to Management Team and the Audit Committee when completed.
The internal audit planning process, demonstrating that audit planning is risk-based and reflects the business objectives of the Council.	The annual audit planning exercise for the 2016/17 financial year used a risk-based methodology to ensure the most effective use of Internal Audit resource. This exercise reflects the business objectives of the Council.
Customer Satisfaction survey results.	<p>Previously a bi-annual client satisfaction survey was conducted; last undertaken in April 2013. For the 2016/17 year onwards this will be re-instated and undertaken annually.</p> <p>Customer satisfaction surveys are sent to all client managers on publication of a final internal audit report. The results of surveys returned for 2015-16 to date gave an overall satisfaction measure of 100% against a target of 100%.</p>
Key performance indicator outturns.	A set of seven performance measures have been developed to assess the effectiveness of the Internal Audit team in achieving a quality Internal Audit Service. As reported in the Annual Internal Audit Report 2015-16, during the year the team met six of the seven performance measures, despite the significant staffing changes experienced in the period.
The extent to which reliance can be placed on the work of internal audit by the external auditor.	<p>In the Audit Plan for TMBC for the year ended 31 March 2015 Grant Thornton stated:</p> <p><i>Overall we have concluded that the internal audit service continues to provide an independent and satisfactory service to the Council and that internal audit work contributes to an effective internal control environment.</i></p>