

**Summary of Measures to demonstrate the effectiveness of Internal Audit – 2018-19 Review**

Measure	Finding
<p>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>.</p>	<p>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 (amended April 2017).</p> <p>The PSIAS require a periodic Internal Assessment and a five-yearly independent External Assessment; this last was undertaken in the 2016/17 financial year and confirmed that the team were considered to be working in conformance with the PSIAS overall. An action plan was put in place to address the areas for development and all relevant actions were completed by end of the 2017/18 year.</p> <p>The annual internal assessment was undertaken in June 2019; the self-assessment established that we continue to generally conform to the Code of Ethics and Standards that constitute the PSIAS. An area of development remains in relation to changes made to the Standards in April 2017 and was therefore assessed as Partially Conforms:</p> <p>Performance Standard 2050 – Coordination and Reliance</p> <p>This Standard was enhanced from purely coordinating to emphasis on the requirement to have a consistent process for relying on the work of other assurance providers. Although we rarely rely on the work of others an exercise is required to map potential assurance providers and update the Audit Manual to include a criteria for reliance.</p>
<p>The internal audit planning process, demonstrating that audit planning is risk-based and reflects the business objectives of the Council.</p>	<p>The annual audit planning exercise for the 2018/19 financial year used a risk-based methodology to ensure the most effective use of Internal Audit resource. Review of the 2018/19 Plan established that there was a good level of alignment to the key risks.</p>
<p>Customer Satisfaction survey results.</p>	<p>Customer satisfaction surveys are sent to client managers on publication of a final internal audit report. The results of surveys returned for 2018-19 to date gave an overall satisfaction measure of 92% against a target of 80% (based on 9 surveys received at time of reporting). It is noted that while this is a good result it</p>

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	is a lower score than previous years, for example in 2017/18 where satisfaction was 100%. Surveys are being reviewed to identify any key themes and actions to address issues identified will be undertaken during 2019/20.
Key performance indicator outturns.	<p>A set of six performance measures was used to assess the effectiveness of the Internal Audit team in achieving a quality Internal Audit Service for 2018-19. As reported in the Annual Internal Audit and Counter Fraud Report 2018-19, during the year the team met five of the six performance measures. For the remaining one:</p> <p>We had not achieved the target of 95% completion of the annual plan at the time of reporting, this currently stands at 91.3% due to delays in completion of work following the resignation of a full-time member of staff and a three-month gap in resources.</p>
The extent to which reliance can be placed on the work of internal audit by the external auditor.	<p>In their March 2019 Progress Report Grant Thornton reported as follows:</p> <p><i>Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Council and that internal audit work contributes to an effective internal control environment. Our review of internal audit work has not identified any weaknesses which impact on our audit approach.</i></p>