

Summary of Measures to demonstrate the effectiveness of Internal Audit – 2020-21 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). The PSIAS require a periodic Internal Assessment and a five-yearly independent External Assessment</p> <p>A comprehensive annual internal assessment was undertaken in October 2019; the self-assessment established a number of areas regarding processes and practice where there was only partial compliance. An action plan produced and items on this plan were addressed during 2020 and putting Internal Audit in a position of 'Generally Conforming' with the PSIAS.</p> <p>An External Quality Assessment was commissioned in January-February 2021 and was undertaken by 'Business Risk Solutions'. The outcome of the assessment was: 'Tonbridge and Malling Borough Council Internal Audit service is delivering to a standard that generally conforms with the Public Sector Internal Audit Standards'</p> <p>The assessment raised a number of improvements and enhancements that are being captured in an action plan which will be addressed, and progress will be reported to Audit Committee.</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 2020/21 financial year used a risk-based methodology to ensure the most effective use of Internal Audit resource. Review of the 2020/21 Plan and subsequent changes during the year established that there was a good level of alignment to Council strategies and key risks. The same approach has been taken to the annual planning for 2021/22.</p>

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Customer Satisfaction survey results.	Customer satisfaction surveys are sent to client managers on publication of a final internal audit report. The results of surveys returned in 2020-21 to date gave an overall satisfaction measure of 98% (based on 5 surveys received at time of reporting). This is an improvement on 2019-20 where satisfaction was 94%. Surveys are being reviewed to identify any key themes and actions to address.
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 2020-21. As reported in the Annual Internal Audit and Counter Fraud Report 2020-21, during the year the team met four of the six Internal audit performance measures. For the remaining two:</p> <p><i>Implementation of Improvement actions from quality assessments (Target 90%):</i> Although 100% of actions from the 2019/20 Internal Assessment have been implemented, the external quality assessment was completed and report issued in May 2021. The Action plan is presented to Audit Committee in July.</p> <p><i>Time from end of fieldwork to Draft Report – % within 10 working days (Target 85%):</i> This stands at 67% for the year. This is an improvement on 50% last year but still fell below target. A further 3 audits missed the 10-day target by 3 days which would have enabled the achievement of the KPI. Not achieving the target set was due, in the majority of cases, to current processes for reviewing audit files and reports before issue, and workloads and working arrangements during the year.</p>

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The extent to which reliance can be placed on the work of internal audit by the external auditor.	In planning for the 2020/21 audit, the external auditor concluded – our review of internal audit work has not identified any weaknesses which impact on our audit approach.