

Summary of Measures to demonstrate the effectiveness of Internal Audit – 2022-23 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>An External Quality Assessment was commissioned in 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>All recommendations for improvement and enhancements were implemented and reported to Audit Committee.</p> <p>The annual Internal Self-Assessment against the PSIAS was conducted in December 2022 as per the Internal Audit Quality and Improvement Programme (QAIP). This raised 9 areas for enhancement. 7 have been implemented, 1 is not yet due for completion and there is 1 action outstanding.</p> <p>The outstanding action relates to the Chief Audit Executive holding private meetings with the Chair of the Audit Committee where required. In light of the changes to the Committee Chair, this has not been actioned to date.</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 2022/23 financial year used a risk-based methodology to ensure the most effective use of Internal Audit resource. Review of the 2022/23 Plan and subsequent changes during the year established that there was a good level of alignment to Council strategies and</p>

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	<p>key risks.</p> <p>A similar approach has been taken to the planning for 2023/24, although the plan is a rolling plan that covers the initial 6 months with further assessment of key risk areas during August/September to ascertain reviews for inclusion in the second 6 months of 2023/24.</p>
Customer Satisfaction survey results.	<p>Customer satisfaction surveys are sent to client managers on publication of a final internal audit report. The results of surveys returned in 2022/23 to date gave an overall satisfaction measure of 99% (based on 7 surveys received at time of reporting). All Surveys received had additional comments from the business lead. Where comments are received, they are reviewed to identify any key themes and actions to address.</p>
Key performance indicator outturns.	<p>A set of 6 performance measures was used to assess the effectiveness of the Internal Audit team in achieving a quality Internal Audit Service for 2022-23. As reported in the Annual Internal Audit and Counter Fraud Report 2022-23, during the year the team met four of the 6 Internal audit performance measures.</p> <p><i>Client satisfaction surveys (Audit) - % positive responses: (Target 90%, Performance 99%)</i></p> <p><i>Audit Plan completion - % completion: (Target 90%, Performance 92%)</i> <i>One audit was cancelled part way through due to the demands of preparation of the election. A further two audits were requested by the business to have later starts and therefore not are not 100% complete when issuing report.</i></p> <p><i>Days training received – no of days per staff member: (Target 5 days, Performance 6.8 days) This is based on staff involved in the completion of the</i></p>

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	<p><i>TMBC audit plan, but excludes all auditors enrolled at Birmingham City University. Due to their study commitments, they have in excess of 0.5 days a week and therefore would skew the results of this KPI.</i></p> <p><i>Maintenance of Continual Professional Development for relevant staff:</i> <i>(Target 100%, Performance 100%) Based on staff working on the TMBC plan who hold professional accounting/audit qualifications that carry CPD requirements.</i></p> <p>For the remaining two KPIs:</p> <p><i>Implementation of Improvement actions from quality assessments that are due</i> <i>(Target 90%, Performance 88%):</i></p> <p>There are 2 outstanding actions, 1 of which is overdue, 1 is not yet due. This relates to private meetings with the Chair of the Audit Committee if required. This has not been actioned due to changes in the Chair of the Committee following elections.</p> <p><i>Time from end of fieldwork to Draft Report – % within 10 working days</i> <i>(Target 85%, Performance 67%):</i></p> <p>This stands at 67% for the year. Performance has remained the same as last year. Four audits missed the 10-day target, 3 by 4 days or less. Only one audit missed the target by a significant margin and this was due to the auditor ending their employment during the completion of the audit engagement. Turnover of staff has impacted the performance on this metric for 2022/23. Turnover of staff has been addressed by a range of effective recruitment and retention measures implemented by the Internal Audit service.</p>

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The extent to which reliance can be placed on the work of internal audit by the external auditor.	Communication with Internal Audit occurred in planning for the 2021/22 audit, and we provide external audit with summaries of key internal audit reports, however, nationally External Audit no longer place reliance on the work of Internal Audit