

Internal Audit - Quality Assurance and Improvement Programme

Introduction

Internal Audit's Quality Assurance and Improvement Program (QAIP) is designed to provide reasonable assurance to the various stakeholders of Cherwell District Council Internal Audit function that Internal Audit:

- Performs its work in accordance with its Charter, which is consistent with the Public Sector Internal Audit Standards, Definition of Internal Auditing and Code of Ethics.
- Operates in an efficient and effective manner.
- Is adding value and continually improving the service it provides.
- The Chief Internal Auditor is ultimately responsible for maintaining the QAIP, which covers all types of Internal Audit activities. 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.

Internal Assessments

Internal Assessment is made up of both ongoing reviews and periodic reviews.

Ongoing Reviews

Ongoing assessments are conducted through:

- Supervision of audit engagements
- Regular, documented review of work papers during engagements by appropriate Internal Audit staff
- Applying relevant audit policies and procedures, including those set out in the Internal Audit Manual, to ensure applicable audit planning, fieldwork and reporting quality standards are met
- Review of all audit reports and agreed management actions by the Chief Internal Auditor prior to formal circulation.
- Feedback from Customer Satisfaction Questionnaires (CSQs) on individual audit assignments
- Established key performance indicators (KPIs) designed to improve Internal Audit's effectiveness and efficiency. These are signed off each year by the Accounts, Audit & Risk Committee.

- In assigning audit work to an individual auditor consideration is given to their level of skills, experience and competence and an appropriate level of supervision exercised
- Feedback from CSQs, performance against KPIs and reviews of working papers and audit reports will form part of the discussion during regular meetings / 121 discussions.

Periodic Reviews

Periodic assessments are designed to assess conformance with Internal Audit's Charter, the Standards, Definition of Internal Auditing, the Code of Ethics, and the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders. Periodic assessments will be conducted through:

- Chief Internal Auditor / Audit Manager file reviews to ensure performance in accordance with Internal Audit's Quality Procedures Manual.
- Review of internal audit Key Performance Indicators by the Chief Internal Auditor on a monthly basis, including elapsed time between start of audit and exit meeting, elapsed time between exit meeting and issue of draft report, elapsed time between issue of draft report and issue of final report, % of planned activity completed and % of management actions implemented.
- Quarterly activity and performance reporting to the Accounts, Audit & Risk Committee and Section 151 officer.
- Annual self-review of conformance with the Public Sector Internal Audit Standards. Any resultant action plans will be monitored by the Chief Internal Auditor on a quarterly basis.
- Independent annual review of the effectiveness of Internal Audit by the Council's Monitoring Officer, with results reported to and reviewed by the Accounts, Audit & Risk Committee.

External Assessment

External assessments will appraise and express an opinion about Internal Audit's conformance with the Standards, Definition of Internal Auditing and Code of Ethics and include recommendations for improvement, as appropriate.

An external assessment will be conducted every 5 years by a qualified, independent assessor from outside the Council. The assessment will be in the form of a full external assessment, or a self-assessment with independent external validation. The format of the external assessment will be discussed with the Accounts, Audit & Risk Committee.

Reporting

Internal Assessments – Quarterly activity and performance reporting to the Accounts, Audit & Risk Committee and Section 151 officer.

External Assessments – results of external assessments will be reported to the Accounts, Audit & Risk Committee and Section 151 officer at the earliest opportunity 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.

Follow Up - the Chief Internal Auditor will implement appropriate follow-up actions to ensure that action plans developed are implemented in a reasonable timeframe.

Opportunities for improvement – 2023/24

Opportunity for improvement	Lead Officer	Target Date
<p>Data analytics - to be embedded into the Internal Audit and Counter Fraud assurance activities.</p> <p>This will include the development of a documented Data Analytics Strategy.</p> <p>The Counter Fraud Intelligence & Data Officer’s job role has already been redefined to assist with the implementation of data analytics across the Internal Audit & Counter Fraud Service. The team’s digital maturity will be assessed and any gaps addressed / there will be a continued focus on improved awareness and application across the team.</p>	<p>Sarah Cox, Chief Internal Auditor / Katherine Kitashima, Audit Manager.</p> <p>Nick Stokes, Intelligence & Data Officer to support</p>	<p>Data Analytics Strategy for Internal Audit and Counter Fraud in place by 01/09/23.</p> <p>Improvements to assurance activities embedded throughout 2023/24.</p>
<p>Practice standards – we will implement a programme of briefings / training with the team covering PSIAS and key internal audit practice themes. (For example engagement planning, conflicts of interest, code of ethics, risk scanning).</p>	<p>Sarah Cox, Chief Internal Auditor / Katherine Kitashima, Audit Manager.</p>	<p>Quarterly, commencing Summer 2023.</p> <p>(Already covered in monthly team meetings – however recognise would be an improvement to formalise training / briefing plan)</p>
<p>Data Protection – we will review arrangements for internal audit and counter fraud compliance, including electronic document retention</p>	<p>Sarah Cox, Chief Internal Auditor / Katherine Kitashima, Audit Manager.</p>	<p>01/09/23</p>

and data sharing arrangements.	Emma Vickers, Assistant Auditor to support.	
Management Action Follow Up System – we are required by the current supplier of the software used to monitor the implementation of management actions to upgrade to a new version. We will use this as an opportunity to undertake necessary housekeeping of how directorates are structured / how officers are set up, and to review whether there are any improvements required to our reporting and follow up processes.	Sarah Cox, Chief Internal Auditor / Katherine Kitashima, Audit Manager. Emma Vickers, Assistant Auditor to support.	New version implemented before 31/03/24.

Signed by:

Sarah Cox, Chief Internal Auditor

Michael Furness, Assistant Director of Finance

Date approved: July 2023

Date of next review: July 2024