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Internal Audit Service

Quality Assurance and Improvement Programme 2023

September 2023

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes (I.I.A.)

Audit Information

Report prepared for:	Burnley Borough Council
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Report Approved by:	Internal Audit Manager.

Distribution List

Internal Audit Service	
Director of Resources	
Management Team	
Audit and Standards Committee	

Abbreviations

BBC	-	Burnley Borough Council
PSIAS	-	Public Sector Internal Audit Standards
QAIP	-	Quality Assurance and Improvement Programme
CIPFA	-	Chartered Institute of Public Finance and Accountancy
LGAN	-	CIPFA's Local Government Action Note (LGAN)

QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME - QAIP

SUMMARY

- The QAIP is made up of several aspects which all contribute to ensure that the service not only complies with the PSIAS (Public Sector Internal Audit Standards) but also continues to improve

COMPONENTS OF THE QAIP

ANNUAL REVIEW OF EFFECTIVENESS

- Internal Audit reviews itself against the Public Sector Internal Audit Standards (PSIAS) and CIPFA's Local Government Action Note (LGAN) each year. Identified gaps and improvements in this process are reported to Management Team and to the Audit and Standards Committee.
- Normally this internal assessment is externally reviewed on a periodic basis as required by the standards. Main improvement actions from this are included in an action plan.

AUDITOR INPUT AND FEEDBACK

- Auditors are in the best position to improve the audit process. Internal Audit will continue to improve the process using recent technologies and look to increase the efficiency of the service. This is achieved through Job Chats and 1 to 1s between Auditors and the Internal Audit Manager and Internal Audit Manager and the Director of Resources.

AUDIT POLICIES AND PROCEDURES

- The Service maintains a range of internal policies and procedures which detail the requirements in specific areas or activities. These include documentation standards, report release, code of ethics sign-up etc.

REVIEW OF WORKING PAPERS

- All Auditors are required to complete a file review which is documented to ensure that they have considered key elements of the task.
- Audit Briefs will be agreed with management and by the Internal Audit Manager or an independent auditor. The Audit Programme will be agreed with the Internal Audit Manager or an independent auditor as will major changes to the Audit Programme.
- All reports and working papers are reviewed by an auditor independent of the audit. This is formally documented and form part of the working papers.
- The review checks that the auditor has followed the appropriate procedures to document, evidence and evaluate the activity. It seeks explanations where there are inconsistencies in the papers and requires the auditor to respond to these points. It reviews the report and the opinion to ensure that there is a consistency of approach between audits and services.

AUDITEE FEEDBACK

- Feedback from auditees is requested at the completion of all audits. Points arising from this feedback are discussed with the Auditor and any improvements considered for implementation. There are paper feedback questionnaires attached to the reports issued to the auditees and there is a link provided to an online survey with the same questions.

BENCHMARKING

- Internal Audit participates in benchmarking with our neighbouring authorities where this is cost effective. This informs areas of potential improvement and best practice to ensure that we are aware of the local service market.

LOCAL GROUPS

- There are several groups at the County and regional level which cover internal audit. The service will participate in these groups part of which is to identify best practice and service improvements.

PERFORMANCE INDICATORS

- Internal Audit maintains a range of performance indicators which are reported at various levels of the organisation. Indicators are reported in the Corporate Scorecard and in the Annual Internal Audit Opinion.
 - The completion of audits against the Internal Audit Plan for the year is reported quarterly.
 - A report target is set for the year and the number of reports issued are reported quarterly.
 - A target to ensure that high priority agreed actions are implemented is reported, this is reported where a follow-up to the audit has found that the high risk agreed action has been implemented.

AUDIT REPORTING

- Audit reports will be made using standard reporting templates to ensure key features are included.

CONFLICTS OF INTERESTS & INDEPENDENCE

- The potential for actual, potential or perceived conflicts of interest where these may compromise a member of internal audit's independence.
- No auditor can audit an activity which they have been involved in the management of within the past 12 months.
- Normally this will be achieved through the assignment of another auditor. Where this is not possible, alternative arrangements will be applied as appropriate. Options may include;
 - External review
 - Independent review
 - External Audit

QAIP ACTION PLAN

- There is a range of outcomes from the QAIP which can be informal or formal.
- Informal issues such as management review and feedback will be discussed with the auditor/Internal Audit Manager and will not normally form part of any action plan.
- Formal actions or other issues which impact on the compliance with the PSIAS will be documented into a formal action plan which will be reported to Management Team and the Audit and Standards Committee.