

Internal Audit Effectiveness Report

Report to Audit & Standards Committee



DATE	17/07/2019
PORTFOLIO	Resources and Performance Management
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PURPOSE

1. To inform on the effectiveness of Internal Audit and the application of new key standards documents.

RECOMMENDATION

2. Members consider the report and provide comment the evaluation of Internal Audit effectiveness.

REASONS FOR RECOMMENDATION

3. Audit and Standards Committee are 'the Board' in respect of the Public Sector Internal Audit Standards (PSIAS). As part of this role, they should consider the effectiveness of internal audit.
4. To ensure that the service is delivered effectively in accordance with proper practices.

SUMMARY OF KEY POINTS

Local Government Application Note 2019 (LGAN)

5. CIPFA have updated their LGAN last published in 2013. This is CIPFA's guide to the Public Sector Internal Audit Standards for Local Government including specific interpretations. This reflects the changes in the PSIAS since 2013.
6. This is a significant document as it is critical in the measurement of compliance of the service with the PSIAS and hence with proper practice. Part of this requires the consideration of effectiveness regularly and externally at least once every five years, as we completed in 2017/18.
7. There is a compliance checklist that provides the evidence of compliance checks for

2019. There are no significant issues to report.

8. There is an intention by the Lancashire Chief Auditor Group to provide a Peer Review service for the required external check on compliance which is required once every five years. This is likely to be free of cost in return for participation in other authorities' reviews.

CIPFA - A Statement on Role of the Head of Internal Audit 2019

9. Another updated document is the Role of the Head of Internal Audit, this was last published in 2010.
10. This is a change slightly to recognise the PSIAS which were not in place when the original document was published. The revised principles are presented in Appendix 1.
11. There are no changes identified as a result of the changed statement.
12. CIPFA have also published a companion document 'Leading internal audit in the public sector' which provides examples of the principles in practice.

Quality Assurance and Improvement Plan

13. The service continues to run satisfaction surveys on after delivery of audits. These have reported high levels of satisfaction with the audits.
14. Audits have been followed up to confirm that reported findings have been addressed.
15. The service is based on Office 365 and uses fully electronic working papers. There has been an improvement in way audits have been recorded, with revised working papers and new processes to ensure that service objectives are recorded and that the auditor has covered the key elements of process.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION
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16. None

POLICY IMPLICATIONS

17. None

FURTHER INFORMATION

PLEASE CONTACT:

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