

Bolsover District Council

Audit Committee

15th December 2014

Internal Audit Consortium Improvement Plan

This report is public

Purpose of the Report

- To report to Members the results of an internal audit self assessment that has been undertaken to review compliance with the Public Sector Internal Audit Standards and to identify any areas for improvement.

1 Report Details

- 1.1** The Public Sector Internal Audit Standards (PSIAS) which took effect from the 1 April 2013 require that the Head of Internal Audit develop and maintain a quality assurance and improvement programme to enable the internal audit activity to be assessed against the PSIAS. CIPFA recommend that in order to undertake a self assessment the checklist for assessing conformance included within the application note to the PSIAS be used.
- 1.2** The checklist recommended for undertaking a self assessment against the PSIAS has been completed and it is considered that the exercise has demonstrated that in the main the internal audit consortium is compliant with the PSIAS.
- 1.3** The PSIAS encourage that internal audit continually look to improve the proficiency, effectiveness and quality of their service. With this in mind an improvement plan has been developed and is held at Appendix A.

2 Conclusions and Reasons for Recommendation

- 2.1** To comply with the requirements of the PSIAS and to be able to demonstrate a programme of continual improvement.

3 Consultation and Equality Impact

- 3.1** None

4 Alternative Options and Reasons for Rejection

- 4.1** Not Applicable

4.2 Implications

5.1 Finance and Risk Implications

- 5.1.1** Risk Management – The Improvement Plan will help to ensure that the Internal Audit Consortium continues to provide a quality service in line with the PSIAS.

5.1.2 Financial – The implementation of the improvement plan can be met from the Internal Audit Consortium’s existing budget.

5.2 Legal Implications including Data Protection

5.2.1 None

5.3 Human Resources Implications

5.3.1 None

6 Recommendations

6.1 That the results of the self -assessment and improvement plan be noted.

6.2 That progress against the improvement plan is reported back to this Committee as part of the internal audit annual report for 2014/15.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	None
Links to Corporate Plan priorities or Policy Framework	The internal audit Improvement plan helps to achieve the corporate aim “Strategic Organisational Development” which looks to continually improve the organisation.

8 Document Information

Appendix No	Title
Appendix A	Internal Audit Consortium Improvement Plan December 2014
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
N/A	
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Internal Audit Consortium Improvement Plan December 2014

Improvement Area	Current	Action Required	Action By	Date
The Standards state that an external assessment of Internal Audit should be carried out at least once every 5 years.	Not undertaken as yet	An external assessment must be carried out by April 2018	HOIAC /Joint Executive Director Operations	April 2018
Performance monitoring – review of performance targets used. The Standards state that ongoing performance monitoring should include comprehensive performance targets.	Performance indicators are reported in the annual report	Review other possible performance indicators to assess if appropriate for adoption	HOIAC /Executive Director of Operations	April 2015
The Standards state that Internal Auditors are encouraged to demonstrate their proficiency by obtaining appropriate professional certifications	A training needs assessment established that the unit is highly qualified however only the HOIAC is fully qualified and there is limited IT expertise	To encourage and sponsor staff to obtain further relevant qualifications	HOIAC /Executive Director of Operations	Ongoing
To make people more aware of the role and expectations of Internal Audit	Financial Regulations contain a section in relation to Internal Audit	To produce an article/leaflet to place on the intranet explaining the role of Internal Audit and the audit process	HOIAC	April 15

Improvement Area	Current	Action Required	Action By	Date
The Standards state that when planning an audit consideration should be given to significant risks and the opportunities to make improvements to the activity's governance, risk management and control processes.	Testing schedules are reviewed prior to each audit but there is scope to improve this process	Test schedules should be geared more towards risk and governance areas	HOIAC/Senior Auditors	Ongoing
Increasing the flexibility of Internal Audit Consortium staff to be able to work at each location.	Staff are largely fixed in one location	Increase the scope for auditors to undertake audits at each site or the same audit across each site to enhance the sharing of knowledge and experience.	HOIAC	Ongoing