

Internal Audit Consortium

Quality Assurance and Improvement Programme (QAIP)



Introduction

The Public Sector Internal Audit Standards require that the Head of Internal Audit develops and maintains an improvement programme that covers all aspects of the internal audit activity.

A quality assurance and improvement programme (QAIP) is designed to enable an evaluation of the internal audit activity's conformance with the Public Sector Internal Audit Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The quality assurance and improvement programme must include both internal and external assessments.

Internal assessments must include:

- Ongoing monitoring of the performance of the internal audit activity.
- Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.

External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

This QAIP covers: -

- 1) Internal Assessments
- 2) External Assessments
- 3) Staff qualifications / experience
- 4) Training
- 5) Other elements

1) Internal Assessments

Internal assessments consist of the following: -

- An annual assessment against the Public Sector Internal Audit Standards by the Head of the Internal Audit Consortium. This was undertaken in May 2022 and the review confirmed that there were no significant areas of non-compliance.
- Reviews of working papers – All audit working papers are reviewed by the Head of Internal Audit or a Senior Auditor to ensure that they meet required standards and support the findings of the review. These reviews are documented.

- Review of audit reports – The Head of Internal Audit reviews all reports for quality and consistency before they are formally issued.
- Key performance indicators – these are reported to each Audit Committee in the annual report.
- Customer feedback – Customer satisfaction surveys are issued with every report and the results monitored. Based on the customer satisfaction survey forms returned (13 returned for BDC), the average score was 95% for customer satisfaction during 2021/22.
- The results of the annual Client Officer survey for BDC were a score of 97% (a score of 34/35 over 7 questions).

2) External Assessments

An external review of internal audit took place in May 2021 the results of which concluded “Current services are assessed to “generally conform” with the PSIAS and compare favourably with peers, there are no areas where the service does not comply with the Standards”.

The results of the external assessment were fully reported to each Audit Committee and to the Joint Board.

An action plan was developed from the points arising in the 2021 external review and has been used to further drive improvement. All of the recommendations made have been implemented and are in the process of being embedded.

3) Audit Staff qualifications / experience

The table below summarises the qualifications and experience of the Internal Audit Consortium staff.

| <u>Post</u> | <u>Qualification</u> | <u>Experience</u> |
|------------------------|-----------------------------|--------------------------|
| | | |
| Head of Internal Audit | CIPFA | 25 years |
| Senior Auditor - NEDDC | Vacant post | |
| Senior Auditor - BDC | AAT and IIA | 30 plus years |
| Senior Auditor - CBC | AAT | 30 plus years |
| Auditor | AAT / studying for IIA | 7 years |
| Auditor | Vacant Post | |
| Auditor | AAT | 9 months |
| Auditor | - | 2 years |
| Auditor | AAT | 30 plus years |
| Auditor | - | 14 years |

Training Undertaken in 2021/22

Training records are maintained to monitor both professional and ad hoc training received by staff.

Training is delivered via webinars, team meetings, professional journals etc. All staff undertake CPD.

During 2021/22 training was received by various staff in the following areas: -

- Ethics and culture
- Emergency and response plans
- Creating an anti- fraud culture
- Lean auditing
- Effective audit reporting
- Project Management
- Carbon literacy
- Introduction to internal audit
- Risk based internal audit
- Understanding the impact of the pandemic on local government finances
- Mental health awareness
- CIPFA Summer School – various topics
- Delivering and stress testing the HRA Business Plan
- Conflicts of interest
- Post pandemic fraud landscape
- CIPFA Good Governance 2022 update
- Safeguarding

One member of staff is undertaking an apprenticeship that will lead to the Institute of Internal Auditors qualification.

Other Elements

- A spreadsheet is populated by members of the audit team with ideas for service improvement. The ideas are discussed at team meetings and actions agreed accordingly.
- Performance Development Reviews – All staff have a full and mid- year performance review. These reviews set and monitor the achievement of objectives and identify any training requirements.
- 1:1's – All staff have 1:1 meetings with their manager at least monthly.
- The Internal Audit Manual is a comprehensive record of audit procedures and requirements and is updated at least every 2 years.
- Declarations of Business Interest – Staff are required to complete a declaration of business interests form on an annual basis and cannot undertake audits where there is a potential conflict of interest.

- Team meetings – Monthly team meetings are held which discuss points of practice, audit findings, information sharing and include elements of training and brainstorming. Team meetings have been via zoom during the pandemic but are now taking place in person.