

EXTERNAL QUALITY ASSESSMENT

Audit Committee - 30 March 2021

Report of: Audit Manager

Status: For Consideration

Also considered by: None

Key Decision: No

Portfolio Holder: Cllr. Matthew Dickins

Contact Officer: Francesca Chivers, Ext. 7053

Recommendation to Audit Committee:

To consider the External Quality Assessment (EQA) report attached at Appendix A.

Reason for recommendation: Audit Committee has an important governance and oversight role to ensure the quality of the Internal Audit function. The independent EQA report is a key means to enable this duty to be discharged.

Introduction and Background

- 1 The Public Sector Internal Audit Standards (PSIAS) require the Partnership to undertake an External Quality Assessment (EQA) every five years. The purpose of the EQA is to review compliance with the Standards whilst also considering the effectiveness of the service as a whole.
- 2 At the meeting in July 2020, Audit Committee were advised of the intention to competitively procure a supplier to undertake this work in the form of a validated self-assessment. In November 2020, Audit Committee were advised that this work had been awarded to the Institute of Internal Auditors (the IIA). The work has now been completed and the final report is attached at **Appendix A**.
- 3 Prior to the EQA, we undertook our own full self-assessment; the EQA conclusions largely aligned with our own. The assessor confirmed that the current focus of the Partnership is on improving quality of audit work and endorsed our desired direction of travel together with the achievements to date and actions in progress to accomplish this. However it is recognised there are opportunities to increase the efficiency of audit work, improving adherence to budget and time scales, whilst also continuing to develop quality of work.

- 4 The assessor identified an additional area for development around the need to strengthen assurances provided by Internal Audit over ethical and information technology governance. The assessor also considered that in-house skills available to undertake computer audits need to be enhanced.
- 5 The assessor concluded that currently, we are 'partially' conformant with Standards and we agree with this conclusion. We have accepted all eight recommendations and a brief summary of the actions to be taken in response is included within the report. Progress against these actions will be reported to this Committee until the actions are considered closed.

Other options Considered and/or rejected

None

Key Implications

Financial

There are no financial implications associated with this report. The cost of the EQA will be funded from the existing Partnership budget.

Legal Implications and Risk Assessment Statement.

The Accounts and Audit Regulations 2015 stipulate that the Council must operate in compliance with Public Sector Internal Audit Standards. The EQA is a requirement of these Standards.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

Audit Committee is asked to consider the EQA report, including the recommendations and relevant responses, attached at **Appendix A**.

Appendices

Appendix A - External Quality Assessment Report

Background Papers

[External Quality Assessment Update - Audit Committee 16 July 2020](#)

Francesca Chivers
Audit Manager