

HASTINGS BOROUGH COUNCIL

Quality Assurance Improvement Programme

1. Purpose:

The Quality Assurance Improvement Programme (QAIP) is designed to provide reasonable assurance to its key stakeholders that Internal Audit:

- Performs its work in accordance with its charter;
- Operates in an effective and efficient manner;
- Is adding value and continually improving the service that it provides.

The Chief Internal Auditor is responsible for maintaining this QAIP which covers all aspects of Internal Audit activity. This QAIP seeks to conform with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as such includes both internal and external assessments.

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2. Internal Assessments

Internal assessment includes both ongoing and periodic reviews.

Ongoing Reviews

Ongoing assessments are conducted through:

- Supervision of individual audit assignments
- Applying relevant audit policies and procedures to ensure applicable audit planning, fieldwork and reporting quality standards are met
- Review of all audit reports proportionate to the level of sensitivity (as determined by the Chief Internal Auditor) prior to formal circulation
- Feedback from auditees on individual audit assignments.

The Chief Internal Auditor will assign audit work giving due regard to their level of skills, experience and competence. The Chief Internal Auditor will have the following responsibilities:

- Review and contribute to the Terms of Reference
- Support to, and liaison with, the Auditor throughout the audit
- Monitoring assignment progress and budget

- Review working papers and draft reports
- Review final report

Feedback from auditees and reviews of working papers and audit reports will form part of the discussion during 1-2-1 meetings and periodic team review sessions in line with the Hastings approach to Performance and Development; and will help inform formal appraisal discussions.

Objectives and priorities will be agreed annually and along with comprehensive performance targets. The Chief Internal Auditor will measure, monitor and report on progress against these targets.

Periodic Reviews

Periodic assessments are conducted to evaluate conformance with the Definition of Internal Auditing; the Code of Ethics; and, Standards as set out in the PSIAS. These may be conducted through self-assessment or by other persons with sufficient knowledge of Internal Audit practices. The PSIAS Local Government Application Note and Checklist will be used as part of this evaluation.

An annual review of the effectiveness of the system of Internal Audit will also be conducted.

3. External Assessments

An external assessment will be conducted at least once every five years as required by the PSIAS which came into effect on 1 April 2013 (and revised in April 2017).

The Chief Internal Auditor will consider what form of external assessment is most appropriate eg a “full” external assessment or a self-assessment with independent validation. The scope of any external assessment will be discussed with the Section 151 Officer and agreed with the Chairman of the Audit Committee and with the appointed external assessor.

Before appointing an external assessor, the Chief Internal Auditor will confirm that the assessor is competent in the area of professional internal auditing practices and the external assessment process. In determining competence the Chief Internal Auditor will consider the level of experience gained in organisation’s of similar size and if in doubt will seek advice from CIPFA.

For an external assessment to provide a truly independent view, it is important that the appointed assessor has no real or apparent conflict of interest with the Council in general or the Internal Audit team in particular. The Chief Internal Auditor will be alert to this risk when appointing the external assessor.

REPORTING

The outcome of any external assessment or periodic internal assessment (notably the annual review of the effectiveness of the system of Internal Audit) will be reported to Senior Management and to the Audit Committee on completion. The Chief Internal Auditor will not state that the Internal Audit service conforms with the PSIAS unless the results of the QAIP (including a completed external assessment) confirm this.

The Chief Internal Auditor will take appropriate action to ensure that recommendations for improvement identified as a result of periodic internal or external assessments exercises are implemented as appropriate.

Progress in implementing agreed improvement plans will be included as part of the Chief Internal Auditor annual report to the Audit Committee.

Any significant deviations from the PSIAS will be brought to the attention of the Senior Management and considered for inclusion in the Annual Governance Statement.