

North Tyneside Council

Report to Audit Committee

Date: 31 May 2023

Title: Internal Audit Quality Assurance and Improvement Programme (QAIP)

Report from Service Resources

Area:

Report Author: Richard Dunlop, Interim Chief Internal Auditor (Tel: 643 5738)

Wards affected: All

PART 1

1.1 Purpose:

The purpose of this report is to inform and seek endorsement from Audit Committee for a revised Quality Assurance and Improvement Programme (QAIP) for the Internal Audit service. Maintaining a QAIP is a requirement of the Public Sector Internal Audit Standards (PSIAS) and accompanying Local Government Application Note (LGAN).

1.2 Recommendation(s):

Audit Committee is asked to note and endorse the Quality Assurance and Improvement Programme (v1.0 May 2023) which is attached as **Appendix A** to this report

1.3 Council plan and policy framework

The work of Internal Audit and the Audit Committee covers all service responsibilities as identified within the Council Plan.

1.4 Information

1.4.1 The PSIAS and accompanying Local Government Application Note requires that every relevant Internal Audit service establishes a Quality Assurance and Improvement Programme (QAIP). A QAIP enables an evaluation of the internal audit activity's conformance with the Internal Professional Practices Framework (IPPF), Definition of Internal Auditing and Standard 1300 within the Public Sector Internal Audit Standards (PSIAS) 2017 and an evaluation of whether internal auditors apply the Code of Ethics.

1.4.2 The QAIP also assesses the efficiency and effectiveness of the internal audit activity with the primary objective to promote continuous improvement to enable Internal Audit to meet its mission, which is defined by PSIAS as:

"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight."

1.4.3 The service has operated a QAIP for a number of years, but it is recognised that the existing framework could be improved by documenting these activities within a single central document. The QAIP framework document (v1.0 May 2023), attached as **Appendix A**, will assist with monitoring of conformance with PSIAS and enable continuous improvement of the service.

1.4.4 As required by PSIAS, the outcomes of the QAIP will continue to be included in the Annual Opinion report.

1.5 Decision options:

It is recommended that Audit Committee notes and endorses the Quality Assurance and Improvement Programme (v1.0 May 2023) attached as **Appendix A**.

Audit Committee may also wish to request changes to the proposed QAIP to include additional performance information.

1.6 Reason for recommended option:

The recommendation will assist the Internal Audit service to strengthen its conformance with PSIAS and provide enhanced clarity to stakeholders on its performance.

1.7 Appendices:

Appendix A – Quality Assurance and Improvement Programme May 2023

1.8 Contact officers:

Richard Dunlop (Interim Chief Internal Auditor) Tel 643 5738

Marc Oldham (Acting Group Assurance Manager) Tel: 643 5711

1.9 Background information:

The following background papers and research reports have been used in the compilation of this report and are available for inspection at the offices of the author.

- (a) [Public Sector Internal Audit Standards, Chartered Institute of Public Finance & Accountancy \(CIPFA\) / Institute of Internal Auditors \(IIA\), April 2017 \(P\)](#)
- (b) Local Government Application Note for the UK Public Sector Internal Audit Standards, CIPFA / IIA (P)
- (c) [Financial Regulations, version 7a, June 2021 \(P\)](#)
- (d) [Internal Audit Charter, November 2022 \(P\)](#)
- (e) [The Accounts and Audit Regulations 2015, April 2015, as amended 2022 \(P\)](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no direct financial implications arising from the recommendations in this report. The proposals regarding external assessment by another local authority requires a reciprocal arrangement, in that the Chief Internal Auditor will be required to spend a little time undertaking an assessment of one of the other Internal Audit services.

2.2 Legal

The Accounts and Audit Regulations 2015 are a statutory instrument and require the Authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

These internal auditing standards / guidance are the Public Sector Internal Audit Standards 2017 and the accompanying Local Government Application Note. Adherence to these standards is the subject of the main body of this report.

2.3 Consultation/community engagement

This report and accompanying appendices have been established for discussion and consultation with the Audit Committee as the designated 'board' under PSIAS.

2.4 Human rights

There are no human rights issues arising from this report.

2.5 Equalities and diversity

There are no equality and diversity issues arising from this report.

2.6 Risk management

There are no specific risks arising from this report, as the self-assessment has demonstrated a high level of conformance with the required standards. Should this situation change, a further report would be brought back to Audit Committee as the designated 'board' under the PSIAS.

2.7 Crime and disorder

There are no specific crime and disorder issues arising from this report.

2.8 Environment and sustainability

There are no environment and sustainability issues arising from this report.

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 Marc Oldham