

Bath & North East Somerset Council			
MEETING:	Corporate Audit Committee		
MEETING DATE:	14 th July 2022	AGENDA ITEM NUMBER	
TITLE:	Internal Audit – Public Sector Internal Audit Standards - Quality Assurance & Improvement Plan		
WARD:	ALL		
AN OPEN PUBLIC ITEM			
List of attachments to this report: None			

1 THE ISSUE

1.1 It is a requirement of the Public Sector Internal Audit Standards that the chief audit executive must agree the scope of external assessments of the Internal Audit Quality Assurance and Improvement Programme with an appropriate sponsor. This report is to consult the Committee on the planned external assessment (including the form of external assessment and who is to be appointed to carry out the assessment), to advise them that the Council's Section 151 Officer will be the sponsor, and to inform them of how the results of the external assessment will be reported to the Committee and senior management.

2 RECOMMENDATION

2.1 The Corporate Audit Committee is asked to note:

- i. the form of the planned external assessment of the Internal Audit Service Quality Assurance and Improvement Programme.
- ii. the intention to appoint the Devon Audit Partnership to carry out the external assessment.
- iii. that the Council's S151 Office is the formal sponsor for the external assessment.

iv. that a report will be submitted to the Committee in early 2023 to communicate the results of the external assessment and any resulting action plans.

3 THE REPORT

- 3.1 The Corporate Audit Committee Terms of Reference includes the delegated responsibility from Council “to approve the Internal Audit Plan within the budget agreed by the Council and to monitor its delivery and effectiveness”. A professional, independent and objective internal audit service is a key element of good governance, and its effectiveness must be continually assessed.
- 3.2 The Public Sector Internal Audit Standards requires an external assessment to be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.
- 3.3 An external assessment was last carried out in early 2018 where it was reported that the internal audit service ‘conforms’ with the Code of Ethics and the Standards. ‘Conforms’ is the top rating and therefore it was assessed that the quality assurance and improvement programme in place supported compliance with the Standards and Code of Ethics.
- 3.4 The proposed approach for the 2022 external assessment is for the external assessor to validate the 2022 self-assessment. Based on our strategic agreement with Devon Audit Partnership we are proposing to engage the current Head of Devon Audit Partnership to carry out the external assessment. Robert Hutchins is a Member of the Chartered Institute of Management Accountants and has over 25 years auditing experience in the public sector.
- 3.5 It is a requirement of the Standards that the scope of the external assessment is agreed with an appropriate sponsor as well as the external assessor. The proposal to externally assess and validate the self-assessment has been agreed with the Council’s S151 Officer.

4 STATUTORY CONSIDERATIONS

- 4.1 There are no specific statutory considerations related to this report.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The internal assessment exercise will require the allocation of internal audit resources. The external assessment by Devon Audit Partnership will incur costs estimated at £4,000.

6 RISK MANAGEMENT

6.1 A proportionate risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.

6.2 The Corporate Audit Committee has specific responsibility for ensuring an effective internal audit service is maintained by the Council.

7 EQUALITIES

7.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

8 CLIMATE CHANGE

8.1 There are no direct climate change implications related to this report.

9 OTHER OPTIONS CONSIDERED

9.1 No other options to consider related to this report.

10 CONSULTATION

10.1 The Council's Section 151 Officer has had the opportunity to input to this report and has cleared it for publication.

Contact person	Andy Cox, Head of Audit & Assurance (01225 477316)
Background papers	
Please contact the report author if you need to access this report in an alternative format	