

Appendix D

Internal Audit Performance Management and Quality Assurance

The Public Sector Internal Audit Standards (PSIAS) state that the Audit Manager must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity and to demonstrate that the internal audit service is:

- (a) meeting its aims and objectives;
- (b) compliant with the PSIAS;
- (c) meeting internal quality standards;
- (d) effective, efficient, continuously improving; and
- (e) adding value and assisting the organisation in achieving its objectives

The results of the programme must be reported at least annually to the Audit and Governance Committee.

Performance, quality and effectiveness should be assessed at two levels:

- for each individual audit; and
- for the internal audit service as a whole.

Performance Indicators

There are no national performance indicators in existence for Internal Audit, but we do monitor the following Local Performance Indicators (LPI's):

Local Performance Indicator	Target	Actual
Percentage of adjusted Audit plan completed*	95%	98.4%
Percentage of 'high' risk systems reviewed annually	100%	100%
Customer satisfaction - % Good or Excellent as per feedback forms	90%	100%
Draft reports produced within 10 days	90%	94.5%
Final reports produced within 10 days	90%	92%

* 26 days lost from plan due to voluntary redundancy of part time auditor. Also 20 days had been planned for provision by third party, however, this was not commissioned and was used towards savings required.

Overall, performance against the indicators is good.

User Feedback

The customer satisfaction results are derived from the customer satisfaction surveys issued following each individual audit. Out of 15 issued, 10 were returned.

Some of the feedback comments received include:

- Very useful planning and debrief sessions
- Those that were involved in the audit process (*of the service being audited*) were extremely impressed with the background research that had conducted prior to commencing the audit. This meant that the time needed from the team was kept to

a minimum.

- We were pleased that the auditor was prepared to take on board our comments before the Final Report was issued, bearing in mind that the re-structure within our System has taken longer than anticipated and this has adversely effected some of the work within the Section. Hopefully when the next Audit is carried out improvements will have been achieved.
- Audit staff always very approachable and helpful in agreeing realistic deadlines
- Less strict compliance with audit framework, greater appreciation of the constraints on the organisation and practicality of some recommendations would enhance the effectiveness of the audit

Public Sector Internal Audit Standards (PSIAS) Independent Assessment

During 2014/15 the Council's Internal Audit Service had a successful independent assessment of its compliance with the PSIAS. Findings from the assessment were reported to this committee in December 2014.