

## 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.

This performance management and quality assurance framework must include, but is not limited to:

- A comprehensive set of targets to measure performance. The Audit Manager should measure, monitor and report appropriately on the progress against these targets;
- Seeking user feedback for each individual audit and periodically for the whole service;
- Periodic self-assessments to evaluate conformance with the Code of Ethics and the Standards
- An external assessment every 5 years with the scope agreed by an appropriate sponsor; and
- An action plan to implement improvements.

## 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 Audit plan completed	95%	99%
Customer satisfaction - % Good or Excellent as per feedback forms	90%	100%
Draft reports produced within 10 days	90%	100%
Final reports produced within 10 days	90%	100%
Follow-up within 12 months	95%	100%
Training days per auditor per annum	6 days	2.7 days
Number of process improvements		7

Overall, performance against the indicators is good with the exception of meeting training targets. This has already been identified as an issue and appropriate training will be scheduled to meet continual professional development requirements.

## **User Feedback**

The customer satisfaction results are derived from the customer satisfaction surveys issued following each individual audit. Out of 20 issued, 12 were returned.

Some of the feedback comments received include:

- The auditor did a splendid job given that all the areas were rather tricky to audit!
- The audit was undertaken in a professional & supportive way
- It is easy to lose sight of some aspects of the team function, this audit has helped me to focus on improvements & planning
- Always very fair & listen to comments & taken on board as much as possible
- It was very helpful to have an officer who knew the service as they has previously audited other areas of work
- Some of the recommendations are reliant on council systems and other departments, but having them identified in the report is helpful as this will hopefully help move them forward
  
- Empathy with some of the difficulties in terms of capacity and timescale – a realistic approach

## **Public Sector Internal Audit Standards (PSIAS)**

### **Independent Assessment**

The PSIAS requires that an independent assessment of compliance with the standard is undertaken once every 5 years. The results of the last external assessment which was undertaken in July 2014 were reported to this committee in December 2014. The next assessment is due to be undertaken by July 2019.

### **Self Assessment**

The standard also requires that the Audit Manager undertakes a periodic self -assessment of compliance. This last self-assessment was undertaken in April 2016 when it was found that the service was 97.5% compliant and a report of the outcomes was presented to this committee in June 2016. A further self-assessment is due to be undertaken in January 2018.