



Appendix B

Leeds City Council

Internal Audit Update Report – Quality and Performance

Corporate Governance and Audit Committee

24th June 2024

INTERNAL AUDIT UPDATE REPORT 2023/24

1ST January 2024 to 31ST March 2024

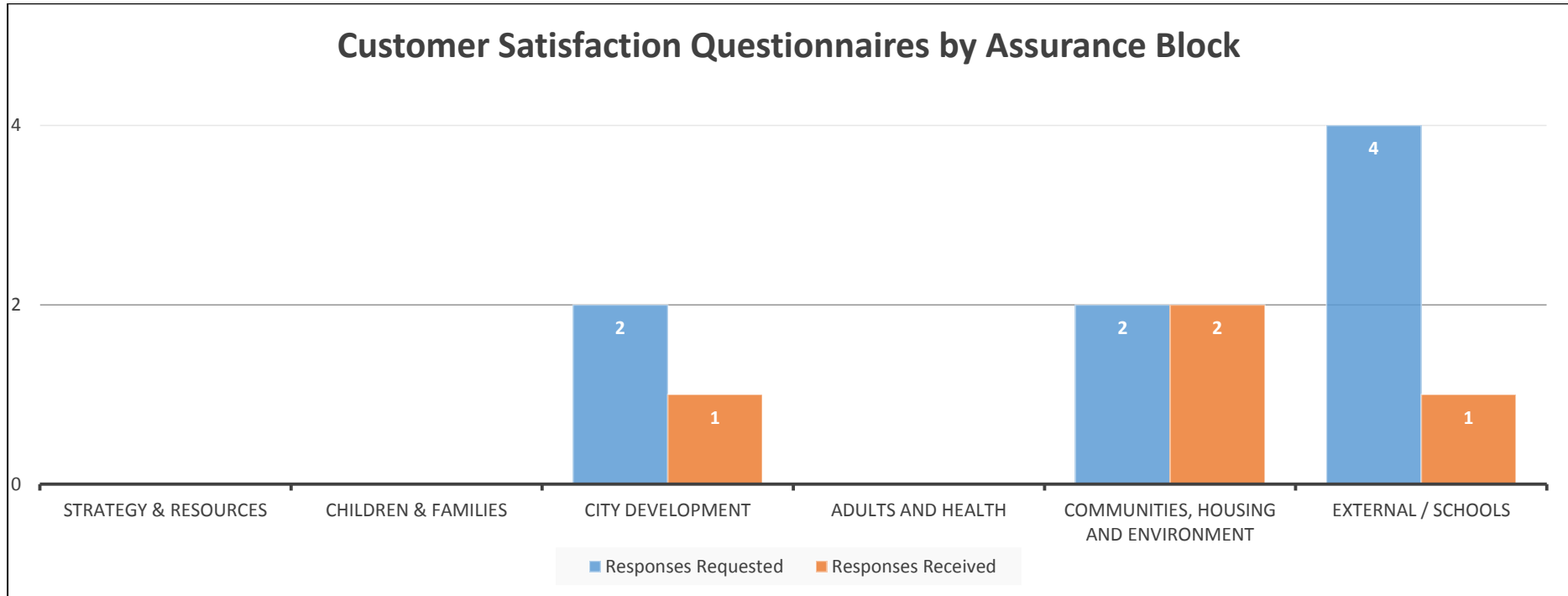
1 Purpose of this report

- 1.1 This report provides the Committee with a summary on the various activities that provide assurance on the performance and quality of our work along with the continuous improvement of the section.

2 Internal Audit Performance

Feedback

- 2.1 We actively monitor our performance in a number of areas and encourage feedback. A customer satisfaction questionnaire (CSQ) is issued with every formal audit report. The results of the questionnaires are reported to the Audit Leadership Team and used to determine areas for improvement and inform the continuing personal development training programme for Internal Audit staff.
- 2.2 In response to member feedback, we have continued to look at ways of maximising CSQ feedback. We now have a fixed deadline by which we would expect feedback to be returned, and we have implemented a chasing process where this is not the case. We have also been looking at the way in which the information is reported.
- 2.3 We are now reporting on the number of CSQs that have been issued and returned within the specific period. For the period from 1st January 2024 to 31st March 2024 we have issued a total of 8 Customer Satisfaction Questionnaires and received 4 completed returns at a response rate of 50% in the period. The majority of the unreturned CSQs relate to schools and specifically School Voluntary Fund audits. These are carried out on request of the school therefore satisfaction with the work undertaken can be implied.



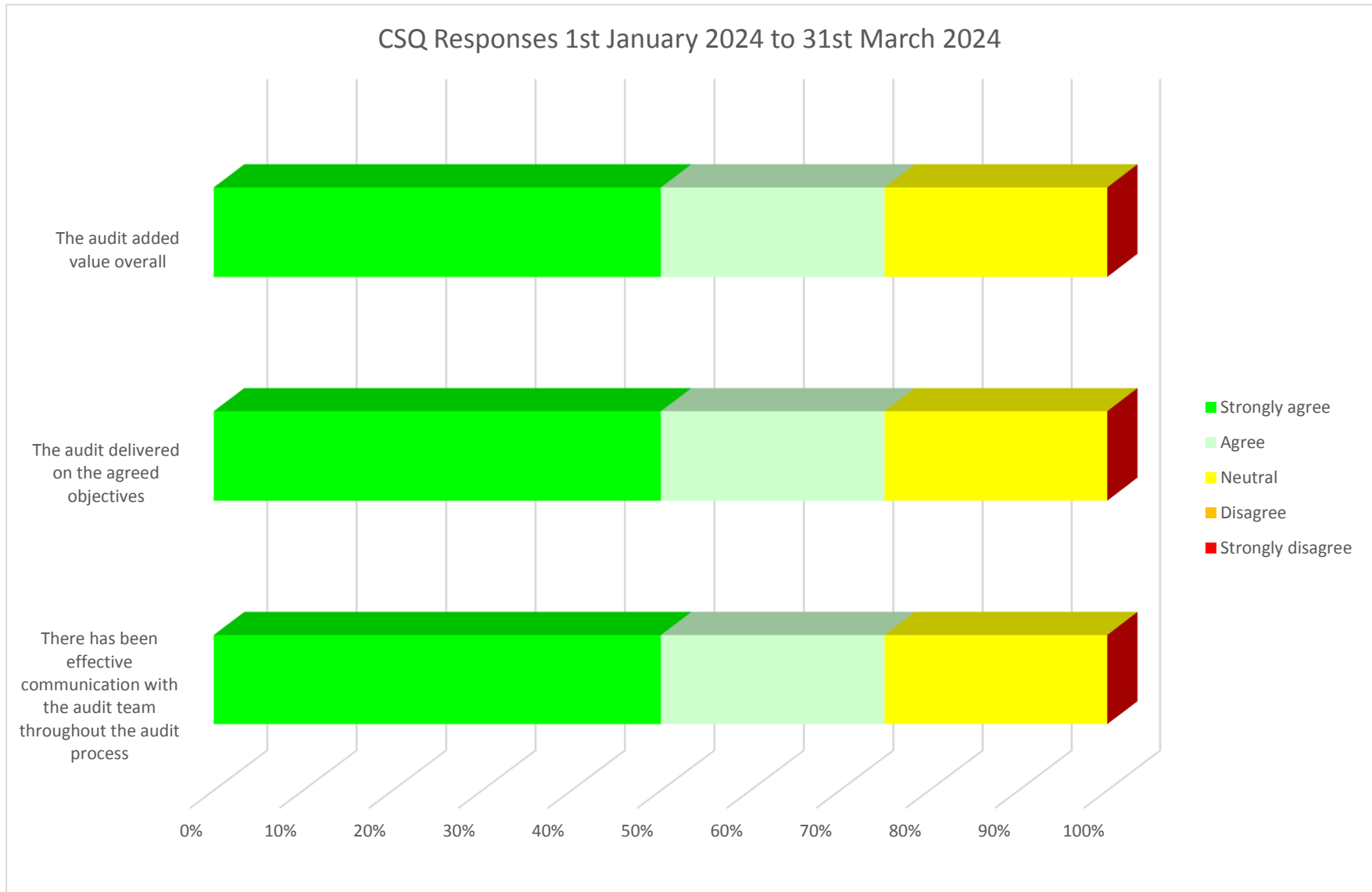
2.4 Below is a summary of comments we have received from services that have completed the CSQs.

“It was a quick, thorough and effective process that was well managed. The auditor was great, really good communication, helpful and effective.”

“The team were given the job very last minute due to delays ..., despite this the team were very proactive in ensuring that the deadlines set by the funder were achieved and where delays presented themselves they were very clear with why, and the alternative which could then be provided to the funder. We are very satisfied with the service provided and the support we received from the team. Thank you!”

“The auditor respected the busy nature of my service and was extremely flexible around the timings for seeking information and meetings.”

2.5 The graph below shows the responses for each question. The respondents have selected either strongly agree or agree for all questions in 75% of the responses.



3 Quality Assurance

- 3.1 Internal Audit work is undertaken in accordance with internal quality procedures incorporated in the quality management system, which has been ISO (International Organisation for Standardisation) certified since 1998. In November 2022 following the external assessment our ISO Quality Management System certification was renewed. This provides assurance that our quality management system continues to meet the requirements of the ISO (9001:2015) standard and is demonstrating continual improvement.
- 3.2 We have established Quality Assurance procedures within the Internal Audit team. This includes a Quality and Operational Review Group (QORG) that meet to identify and champion improvements in performance and working practices. As part of this process, the Quality Assurance and Improvement Programme (QAIP), which is a requirement of the Public Sector Internal Audit Standards, is in place to bring together our commitment to continually reviewing and improving the way we deliver our internal audit service and embed our quality system.

Action	Timescale and Status
Internal Audit assurance mapping will continue to be developed to support the annual audit planning process.	<p>Ongoing – We have integrated assurance into our audit planning process as our risk assessment criteria includes identifying other assurance mechanisms in place for the area under review.</p> <p>For 2024/25 we will develop a list of these assurance mechanisms that will be updated on a continuous basis going forward to feed into our ongoing planning process.</p>
Internal Audit Performance Monitoring – internal performance measures, including KPIs, are being reviewed on an ongoing basis to support and drive completion of the annual audit plan.	<p>Ongoing – We continue to review our performance measures and produce meaningful information for the committee. We have reflected on the feedback provided by members of the committee.</p> <p>We have developed a dashboard which will be utilised to strengthen performance management and presentation of outcomes. This will be reviewed on an ongoing basis to ensure that it provides the most relevant information for monitoring performance.</p>
Recommendation tracking process – to further embed the recommendation process across the council.	<p>Ongoing – Work has progressed on the creation of an automated audit recommendation tracking process that will lessen the administrative burden that exists currently to collate recommendation tracking data.</p> <p>For 2024/25 will we introduce a spot-checking process to provide assurance on the responses to implementation of recommendations from services.</p>

Action	Timescale and Status
<p>Engagement – To further increase our presence at key forums to enable closer working across the Council, promote the work of the section and obtain information on any emerging areas of risk or concern.</p>	<p>Ongoing – we have identified a number of forums where our engagement will be helpful, this is an ongoing process. We have also established regular meetings with key officers, such as the Chief Digital Information Officer to share information.</p> <p>We have refreshed our protocols and are continuing to look at the most effective ways of developing and embedding these, including attendance at the identified forums.</p> <p>Actions will be agreed as part of the appraisal process to ensure that this work is taken forward.</p>
<p>New Global Internal Audit Standards – We will undertake a self-assessment against the new standards when they are published and develop an action plan to ensure we will be compliant when the standards become effective.</p>	<p>Not Yet Started – On 9th January 2024 the new Global Internal Audit Standards (GIAS) were issued. These replace the International Practice Framework on which the Public Sector Internal Audit Standards (PSIAS) are based.</p> <p>The PSIAS are issued under the authority of the Relevant Internal Audit Standard Setters (RIASS). The RIASS have agreed to use the new GIAS as the basis for internal auditing for the UK Public Sector and have asked the UK Public Sector Internal Auditing Standards Advisory Board (IASAB) to carry out a review of the new standards with a view to identifying and producing any sector specific interpretations or other material needed to make them suitable for UK public sector use.</p> <p>The IASAB plans to issue consultation material by September 2024 at the latest. Following consultation, the final material for application in the UK public sector together with guidance on the transition period between 9th January and the implementation date for the new PSIAS of 1st April 2025.</p> <p>Once we understand what these requirements are we will undertake a self-assessment to determine what actions we need to take prior to implementation.</p>

Performance

- 3.3 We continue to manage our available resources to direct these towards the highest areas of risk to ensure that an evidence-based Head of Internal Audit opinion can be provided on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control in accordance with the PSIAS.
- 3.4 As we continue to develop and refine our key performance indicators, we will look to incorporate further performance information to demonstrate the effective use of our resources.

4 Internal Audit Productivity

4.1 The table below shows the progress of the internal audit plan delivery analysed by the number of plan assignments by assurance block. These are assignments where a report is expected to be produced or we are certifying grant balances. It does not include the consultative work, such as attending boards, which is reported in the other assurance work in appendix A.

Assurance Block	2023/24 plan assignments	Plan assignments completed	Plan assignments in progress	Plan assignments not started	Plan assignments carried forward into 2024/25
Grants	18	18			
ICT & Information Governance	6		2		4
Finance & Key Financial Systems	6		5		1
Procurement	2		2		
Adults & Health	3	1	2		
Children & Families	3	1	2		
Other Directorate Risks	12	2	6		4
Schools	22	19	3		

4.2 It is evident that there is still a number of pieces of work that are in progress. However, these are all either in the fieldwork stage or have had a draft report issued to the service. All the reviews above will form part of the Chief Audit Executive's annual opinion for 2023/24.