



## **Appendix B**

### **Leeds City Council**

# **Internal Audit Update Report – Quality and Performance**

**Corporate Governance and Audit Committee**

**23<sup>rd</sup> September 2024**

## INTERNAL AUDIT UPDATE REPORT 2024/25 – SEPTEMBER 2024

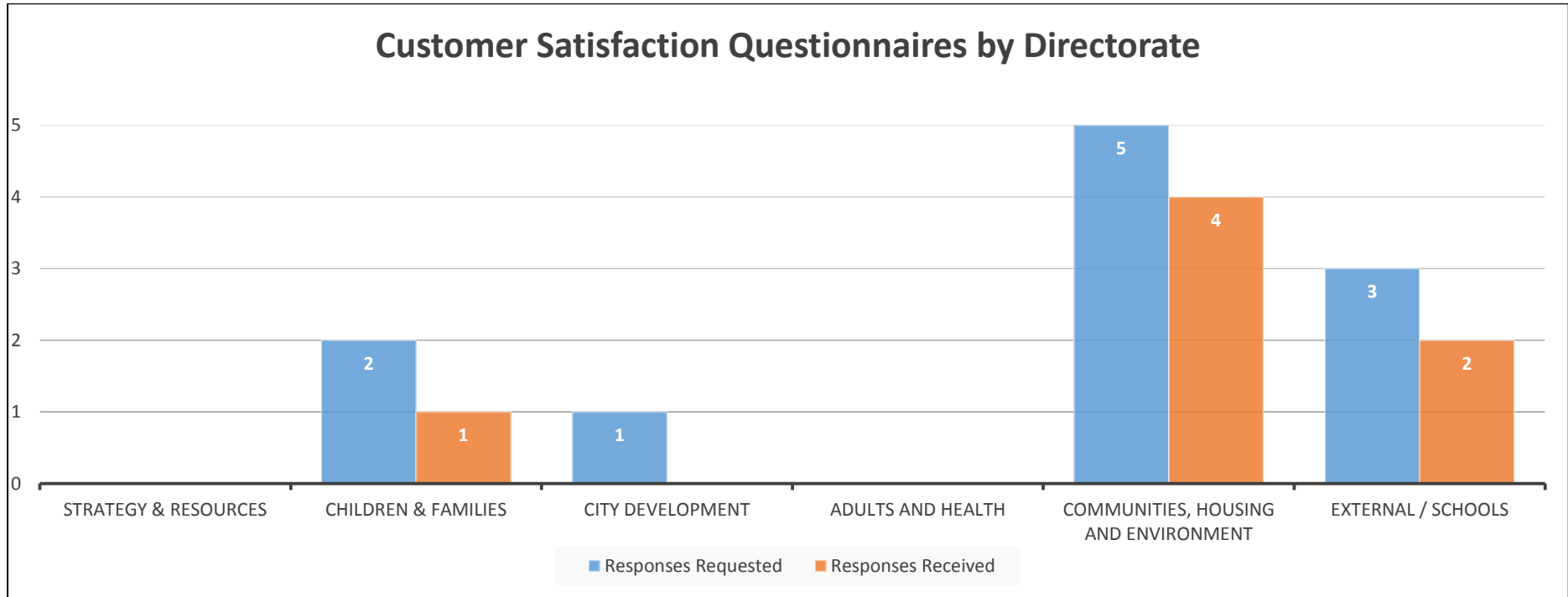
### 1 Purpose of this report

- 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*

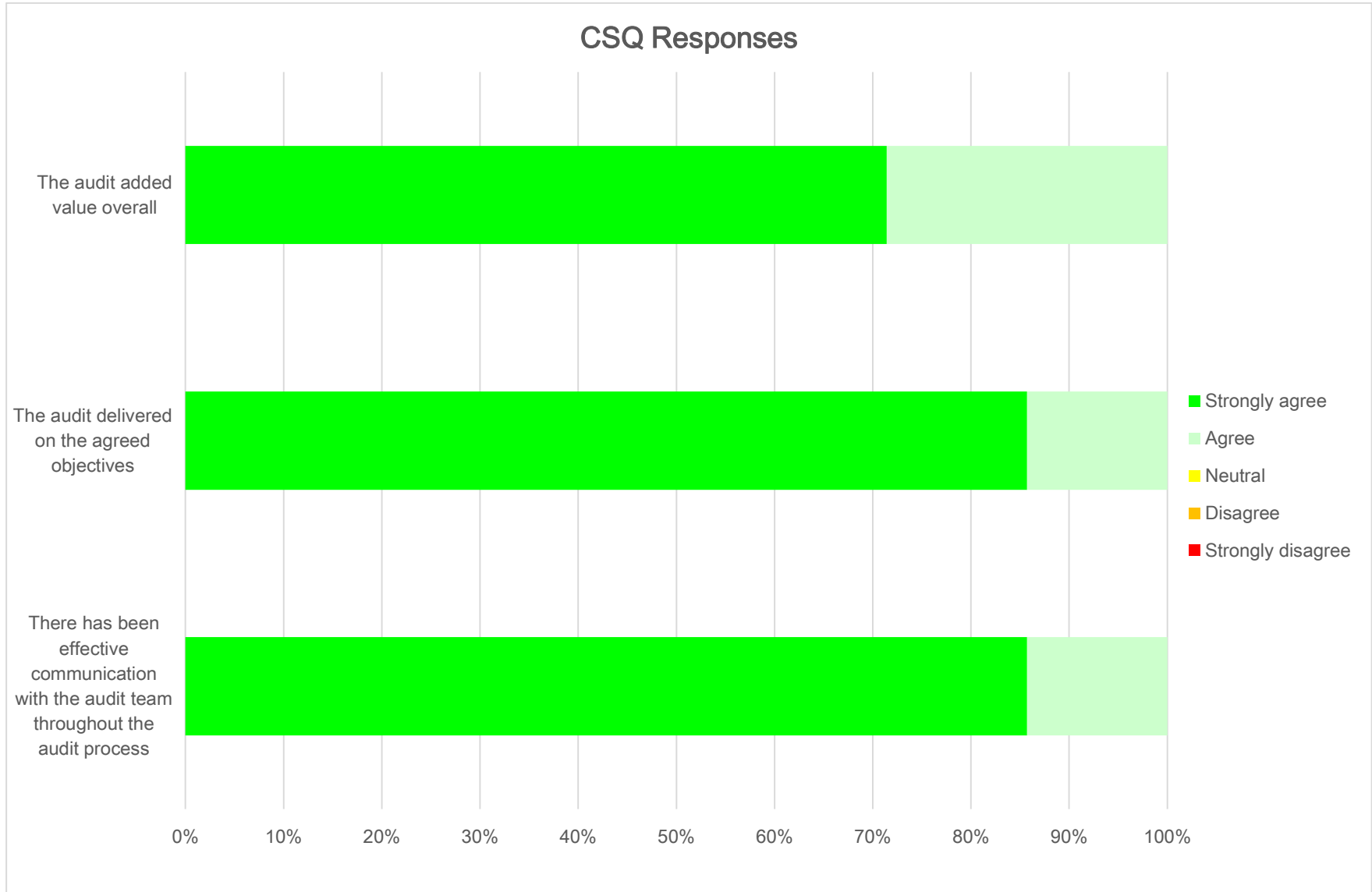
- 2.1 We actively monitor our performance in a number of areas and encourage feedback. A customer satisfaction questionnaire (CSQ) is issued with every audit report. The results of the questionnaires are reported to the Audit Leadership Team and used to determine areas for improvement and inform the 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 the last update report taken to committee in June 2024 we have issued a total of 11 Customer Satisfaction Questionnaires and received 7 completed returns at a response rate of 64% in the period. Results can be seen below.



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



2.5 The graph below shows the responses for each question. In all cases, for all questions, the respondents have selected either strongly agree or agree.



### 3 Quality Assurance

3.1 Internal Audit work is undertaken in accordance with established Quality Assurance procedures as part of the Quality Assurance and Improvement Programme (QAIP). The QAIP is a requirement of the Public Sector Internal Audit Standards that brings together our commitment to continually reviewing and improving the way we deliver our internal audit service whilst ensuring conformance with the standards when undertaking audit activity. To support this process a Quality and Operational Review Group (QORG) meet to identify and champion improvements in performance and working practices. Current identified opportunities for improvement are shown in the table below.

Action	Timescale and Status
Assurance mapping will continue to be developed to support the annual audit planning process.	Ongoing – We are developing a list of other assurance mechanisms in place across the council that will be updated on a continuous basis going forward to feed into our ongoing planning process.
Recommendation tracking process – to further embed the recommendation process across the council.	Ongoing – We are developing a spot-checking process to provide assurance on the responses to implementation of recommendations from services.
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>Not Yet Started – On 9<sup>th</sup> 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 this month. Following consultation, the final material for application in the UK public sector together with guidance on the transition period between 9<sup>th</sup> January and the implementation date for the new PSIAS of 1<sup>st</sup> 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>

Action	Timescale and Status
To progress the outcomes from our SWOT <sup>1</sup> analysis.	<p>Ongoing – As a team we have completed a SWOT analysis to support the work that will be required to implement the new Global Internal Audit Standards.</p> <p>We are currently finalising and agreeing the key themes and supporting actions from this work. These include increasing our audit 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 and further development of our performance measures that have been previously included within the QAIP.</p> <p>An action plan will be developed with owners and timescales for these which will be monitored by the Head of Finance – Internal Audit with support from the management team.</p> <p>These actions will be included in the QAIP as required and we will report this to committee in our next update report.</p>

*Performance*

- 3.2 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.
- 3.3 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.

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<sup>1</sup> SWOT: Strengths, Weaknesses, Opportunities & Threats