



Appendix B

Leeds City Council

Internal Audit Update Report – Quality and Performance

Corporate Governance and Audit Committee

3rd October 2022

INTERNAL AUDIT UPDATE REPORT 2022/23

1ST June 2022 to 31ST August 2022

1 Purpose of this report

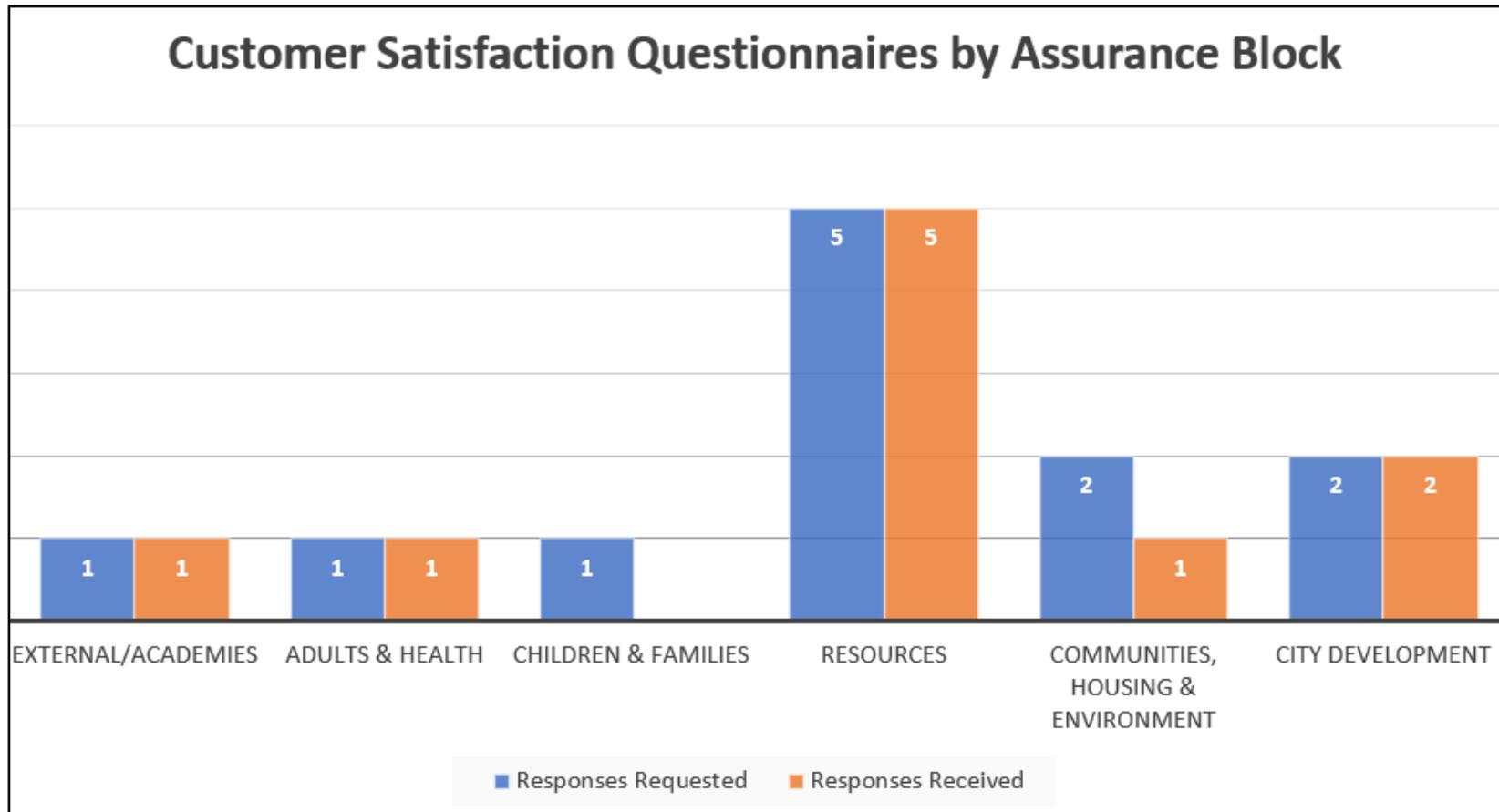
- 1.1 This report provides the Committee with a summary on the various activities that provide assurance on the performance and quality of our work along with the continuous improvement of the section.

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 questionnaires ask for the auditee's opinion on a range of issues and ask for an assessment ranging from 5 (for excellent) to 1 (for poor). The results are presented as an average of the scores received for each question.
- 2.2 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.
- 2.3 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.
- 2.4 As the table at 4.4 in Appendix A shows, we have issued several grant claim certifications during the period. As these tend to be statutory returns guided by specific funding conditions, and often involve the same key contacts, it is not practical to request the same type of CSQ feedback on each occasion. As a result, we have been piloting ways of gathering relevant and proportionate feedback from our grant certification work. Subsequently, in the current period, we have issued a request for feedback from each of the directorate key contacts within the corresponding directorates, and this feedback covers the handling of multiple claims in these areas. We continue to request CSQ feedback from our external clients despite the fact that these do not form part of our update on assurance and consulting activities.

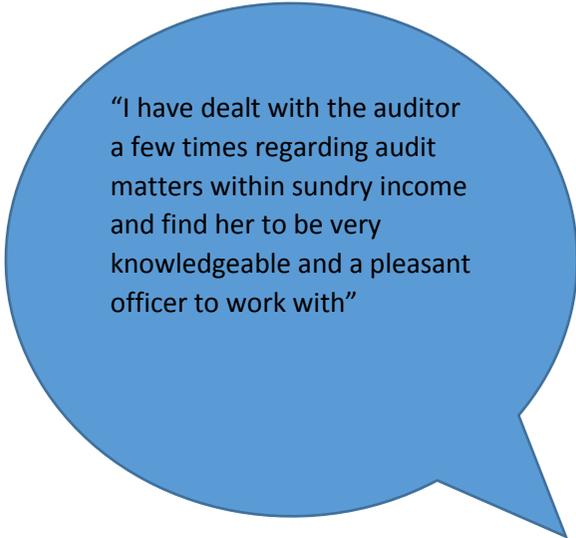
2.5 From this point onwards, we will report on the CSQs that have been issued and returned within the specific period. For the period from 1st June 2022 to 31st August 2022 we have issued a total of 12 Customer Satisfaction Questionnaires and received 10 completed returns at a response rate of 83% in the period.



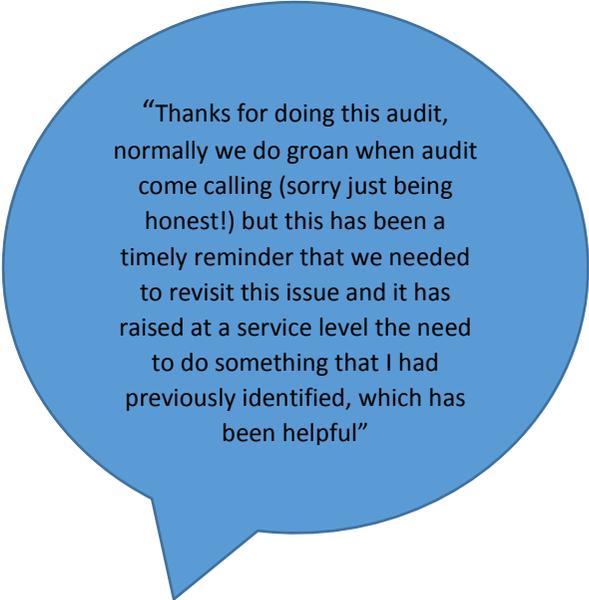
2.6 Below is a summary of comments we have received from services that have completed the CSQs.



“It was well communicated and service views were obtained, understood and incorporated into the final report”



“I have dealt with the auditor a few times regarding audit matters within sundry income and find her to be very knowledgeable and a pleasant officer to work with”



“Thanks for doing this audit, normally we do groan when audit come calling (sorry just being honest!) but this has been a timely reminder that we needed to revisit this issue and it has raised at a service level the need to do something that I had previously identified, which has been helpful”



“The early engagement for feedback is extremely important because it demonstrates that your unit is mindful to report on the facts to ensure your interpretation is correct”

2.7 A summary of the scores is presented in the table below.

Question	Average Score (out of 5)	Max Value	Min Value
Sufficient notice was given	4.71	5.00	4.00
Level of consultation on scope	4.63	5.00	4.00
Auditor's understanding of systems	4.50	5.00	4.00
Audit was undertaken efficiently	4.70	5.00	3.00
Level of consultation during the audit	4.78	5.00	4.00
Audit carried out professionally and objectively	5.00	5.00	5.00
Accuracy of draft report	4.86	5.00	4.00
Opportunity to comment on audit findings	5.00	5.00	5.00
Clarity and conciseness of final report	4.71	5.00	4.00
Prompt issue of final report	4.80	5.00	4.00
Audit recommendations will improve control	4.43	5.00	4.00
The audit was constructive and added value	4.67	5.00	4.00
Overall Average Score	4.73		

3 Quality Assurance

- 3.1 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.
- 3.2 As we are now at the point of progressing the 2022/23 Internal Audit Plan, we have taken this opportunity to refresh the QAIP. As a result, all completed actions from the previous year have been removed and the table below focuses on the current actions in place.

Action	Timescale and Status
Assurance mapping will continue to be developed to support the annual audit planning process.	Ongoing – this work is being taken forward through our participation in a CIPFA assurance framework working group ahead of being rolled out across the teams.
Internal Audit Performance Monitoring – internal performance measures, including KPIs, have been reviewed to support and drive completion of the annual audit plan.	Ongoing – Further work is being undertaken with the aim of producing additional performance monitoring information for the committee.
Internal Audit Reporting Protocols – to update and streamline directorate reporting protocols to drive timely completion of audit reports.	Ongoing – We are continuing to look at the most effective ways of developing and embedding our up-to-date audit protocols.
Internal Audit Technical Manual – to review and update the technical manual as a means of promoting auditing best practice across the team.	Substantially Complete – The technical manual has now been reviewed and the points raised will be discussed at our Quality Operational Review Group.

Action	Timescale and Status
Internal Training Programme – to identify and address relevant training areas across the team.	Substantially complete – A Staff Skills Matrix has been developed and an action plan is currently being consulted on. This will address any areas for development within the Internal Audit team.
Customer Satisfaction Questionnaires – continuing process review	Ongoing – We continue to look at ways of encouraging and maximising feedback and presenting useful information to the committee.

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 over the year, we will look to incorporate further performance information to demonstrate the effective use of our resources.

4 Internal Audit Productivity

4.1 The bar chart below provides a comparison of agreed audit plan days against the days that have been used so far in the 2022/23 Internal Audit plan.

