

Quality Assurance and Improvement Plan – Updated May 2023

In accordance with the PSIAS, the Chief Internal Auditor (Audit and Risk Manager) must develop and maintain a quality assurance and improvement plan (QAIP) that covers all aspects of the internal audit activity. The QAIP must include both internal and external assessments.

The internal assessments include:

- An annual self-assessment of the effectiveness of the audit service using the PSIAS. From this assessment an action plan highlighting areas for improvements will be developed. The results of this exercise are reported to the Audit and Standards Committee in June each year;
- Feedback on the Audit and Risk Manager – Chief Internal Auditor (CIA) is sought annually prior to their performance appraisal from the S.151 Officer and the Chair of Audit and Standards Committee;
- Six monthly monitoring of the internal audit activity to the Audit and Standards Committee; and
- Day-to-day monitoring of compliance with the Definition of Internal Auditing and the Code of Ethics documented within the section's Audit Charter and also in the PSIAS.

The external assessments include:

- A 5 yearly independent assessment of compliance to the PSIAS;
- An annual review of the council's Annual Governance Statement which accompanies the Statement of Accounts;
- Regular attendance at the Audit and Standards Committee by the council's External Auditor with the opportunity to meet in private with the Committee; and
- The External Auditors and the Audit and Standards Committee review and are able to challenge all internal audit reports.

The core principles of these are reported in the Annual Audit Report and a copy of the action plan is submitted alongside the annual opinion. In addition the content of this action plan is also used during performance appraisals and will be provided as evidence for the PSIAS self-assessment and / or any other external validation.

<u>QAIP Action Plan</u>	Narrative	Position as at May 2022	Actions	Position as at May 2023	Outstanding actions C/F to 2023-24 QAIP (requires declaration in the Annual Report)
Internal Audit Assessments					
Annual self-assessment of the effectiveness of the audit service using the PSIAS.	The CIA completes the self-assessment annually and this is ratified and countersigned by the Head of Governance and Business Support (HOG&BS) and the S.151 Officer. It is then approved by Audit and Standards Committee normally in June.	The self-assessment has been completed and will be submitted to the Audit Committee on 14 June 2022. The actions falling out of the self-assessment need to be added to the QAIP.	<p>From this assessment the following actions needed to be addressed;</p> <ul style="list-style-type: none"> An independent review of the council's risk management processes needs to take place following the direct involvement in the implementing of the new GRACE risk management system, refresh of policy and training of action plan owners. The Head of Governance and Business Support is required to ratify and countersign the Internal Audit Effectiveness review and also the Annual Audit Opinion owing to the new CIA not having Chartered status. 	<p>Further action required</p> <p>An independent peer review of the council's risk management processes was not completed in 2022/23. This has been included in the 2023/24 audit plan.</p> <p>Completed</p> <p>The HOG&BS ratifies and countersigns the IA effectiveness review and annual audit opinion.</p>	<p>Details included in the Internal Audit Annual Opinion for 2022/23.</p> <p>Peer-review of risk management arrangements have been included within the 2023/24 audit plan.</p>

<p>Six monthly monitoring of the internal audit activity to the Audit and Standards Committee.</p>	<p>In June / November the AC receives a report on progress on audit work and risk management. They also receive an update on any other governance work carried out by the IA service.</p>	<p>The Audit and Standards Committee work program schedules both a June and November update on Internal Audit, Risk Management and the council's governance arrangements. Reports are published on the Internet.</p>	<p>No concerns raised that need to be documented with the QAIP</p>	<p>Completed</p>	
<p>Feedback on the Audit and Risk Manager (CIA) is sought annually prior to their performance appraisal.</p>	<p>The Head of Governance and Business Support will contact the Chair of Audit and Standards Committee prior to CIA appraisal to make sure any issues are fed into the process.</p>	<p>The CIA's annually 1-2-1+ has not yet been carried out.</p>	<p>Prior to the CIA's annual 1-2-1+ feedback will be sought from both the Chairman of the Audit and Standards Committee and also the S.151 Officer.</p>	<p>Completed</p> <p>The CIA's 121+ was completed in September 2022 and feedback obtained.</p>	

<p>Day-to-day monitoring of compliance with the Definition of Internal Auditing and the Code of Ethics documented within the section's Audit Charter and also in the PSIAS.</p>	<p>Weekly 1-2-1's with audit staff. Compliance with the PSIAS also covered in Performance Appraisals where learning, training and development are discussed.</p>	<p>All staff complete performance appraisals – PDP's sent to HR to identify training and development. It has been agreed that the Audit, Risk and Performance Lead will pursue the 'Chartered by Experience'.</p>	<p>The Audit, Risk and Performance Lead needs to register with the IIA and start a portfolio of experience ready for the September submission deadline.</p>	<p>Further action required</p> <p>Initial enquiries have been made with the IIA. This Officer will now shadow the CIA during the forthcoming year to gain the necessary experience to compile a portfolio and submit this to the IIA.</p>	<p>Details included in the annual self-assessment and the Internal Audit Annual Opinion for 2022/23.</p>
<p>External Audit Assessments</p>					
<p>Regular attendance at Audit and Standards Committee by the council's External Auditor with the opportunity to meet in private with the Committee</p>	<p>Deloitte are expected to attend each meeting. The Audit and Standards Committee work programme includes a private discussion with the External Auditor annually.</p>	<p>During the pandemic the regular catch up meetings with Deloitte were stalled. However, regular meetings are now being scheduled.</p> <p>Where the External Auditors cannot attend Committee meetings, an option to attend virtually is provided.</p>	<p>No concerns raised that need to be documented in the QAIP.</p>	<p>Completed</p> <p>Regular meetings with Deloitte have continued during 2022/23.</p>	

<p>A five yearly independent assessment of compliance to the PSIAS.</p>	<p>The Lancashire District Audit Group have decided that the external assessments will be carried out via peer review. The Last review was carried out in March / April 2018 and the next review is due March 2023.</p>	<p>The Internal Audit Team is in the process of preparing for the peer review in early 2023. This includes completing CIPFA's Internal Audit Self-Assessment in the Local Government Applicate Note. This has now been completed for 2022 and will submitted to the Audit Committee in June 2022.</p>	<p>No concerns raised that need to be documented with the QAIP.</p>	<p>In progress</p> <p>As the PSIAS peer review has now slipped to July, the 2023 self-assessment that will be submitted to the Audit and Standards Committee on the 20 June 2023 can be used.</p>	<p>Details included in the self-assessment and the Internal Audit Annual Opinion for 2022/23.</p>
<p>An annual review of the council's Annual Governance Statement which accompanies the Statement of Accounts</p>	<p>The External Auditor carries out a review of the AGS and makes reference to this review in the ISA 260 presented to the AC in June/July each year.</p>	<p>Whilst the draft AGS for 2020/21 was submitted to the Audit Committee in 2021, it is yet to be signed off as final as part of the finalisation of the Statement of Accounts.</p> <p>The AGS for 2021/22 has been drafted and will be submitted to the Audit Committee on 14 June 2022. It is hoped that the External Auditor will be in attendance.</p>	<p>Early assurance should be sought from the External Audit that the draft AGS for 2021/22 complies with CIPFA guidance and is not misleading or inconsistent with other information they are aware of from their work.</p>	<p>The AGS for 2020/21 and 2021/22 is still to be signed off by the External Auditors.</p> <p>Early assurance should be obtained from the External Auditors that the 2022/23 AGS is factual and complies with CIPFA Guidance.</p>	<p>This will be documented in the Internal Audit Annual Opinion and also documented in the AGS as a 'significant concern' for 2022/23.</p> <p>NFA required at this stage.</p>

<p>The External Auditors and the Audit and Standards Committee review and challenge all internal audit reports.</p>	<p>All Internal Audit reports are issued to both A&SC and External Audit on publication. They are also published on the SharePoint.</p> <p>The Audit and Standards Committee are encouraged to invite Services Managers to the Committee to challenge outstanding recommendations.</p>	<p>Owing to the pandemic, Service Managers have not been regularly invited to attend Audit Committee. However to facilitate this going forward, the Internal Audit Charter has now been updated to ensure that Service Managers attend Audit Committee following two follow-up reviews where the opinion has remained unchanged.</p>	<p>No concerns raised that need to be documented with the QAIP.</p>	<p>The new Audit and Standards Committee will meet for the first time on the 20 June 2023. The Committee will be informed during their training that they are encourage to invite Services Managers to the Committee to challenge outstanding recommendations.</p>	<p>NFA required at this stage.</p>
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