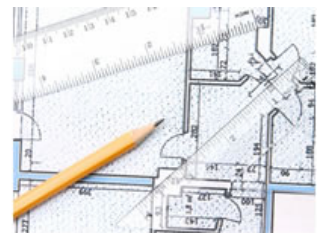
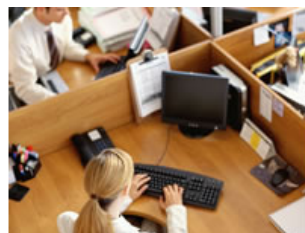




ASSURANCE SERVICE INTERNAL AUDIT QUALITY ASSURANCE & IMPROVEMENT PROGRAMME 2024/25



January 2024

APPENDIX 3

1. Introduction

- 1.1 Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to the various stakeholders of the Internal Audit activity that Internal Audit:
- Performs its work in accordance with its Charter, which is consistent with the Public Sector Internal Audit Standards (PSIAS) Mission for Internal Audit, Definition of Internal Auditing and Code of Ethics;
 - Operates in an effective and efficient manner; and
 - Is perceived by stakeholders as adding value and improving Internal Audit's operations.
- 1.2 Internal Audit's QAIP covers all aspects of the Internal Audit activity in accordance with the PSIAS, Standard 1300 (QAIP), including:
- Monitoring the Internal Audit activity to ensure it operates in an effective and efficient manner;
 - Ensuring compliance with the PSIAS, Mission for Internal Audit, Definition of Internal Auditing and Code of Ethics;
 - Helping the Internal Audit activity add value and improve organisational operations;
 - Undertaking both periodic and on-going internal assessments; and
 - Commissioning an external assessment at least once every five years, the results of which are communicated to the Audit Panel and the Greater Manchester Pension Fund (GMPF) Local Board in accordance with Standard 1312.
- 1.3 The Head of Assurance is ultimately responsible for the QAIP, which covers all types of Internal Audit activities, including consulting.

2. Internal Assessments

- 2.1 In accordance with PSIAS Standard 1300, internal assessments are undertaken through both on-going and periodic reviews.

On-going Reviews

- 2.2 Continual assessments are conducted through:
- Management supervision of all engagements;
 - Structured, documented review of working papers and draft reports by Internal Audit management;
 - Audit Policies and Procedures used for each engagement to ensure consistency, quality and compliance with appropriate planning, fieldwork and reporting standards;
 - Internal Quality Control Checklist to ensure consistency of reporting and reduce administrative error;
 - Feedback from audit clients obtained through Customer Satisfaction Questionnaires at the closure of each engagement;
 - Monitoring of internal performance targets and annual outturn reporting to the Audit Panel;
 - Review and approval of all final reports, recommendations, and levels of assurance by the Head of Assurance and Audit Manager; and
 - Regular team briefings.

Periodic Reviews

- 2.3 Periodic assessments are designed to assess conformance with Internal Audit's Strategy, Charter, the PSIAS Mission and Definition of Internal Auditing, the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the efficiency and effectiveness of Internal Audit in meeting the needs of its various stakeholders. Periodic assessments are conducted through:

- Regular Update Reports, presented to the Audit Panel and the GMPF Local Board;
- Annual risk assessments, in accordance with the Audit Charter 2023/24 and the Audit Manual, for the preparation of the Audit Plan;
- Annual review of the Effectiveness of Internal Audit, undertaken by the Head of Assurance, using the PSIAS standards as the basis for the self- assessment;
- Annual review of compliance against the requirements of this QAIP, the results of which are reported to the Audit Panel;
- Feedback from the Director of Resources and Audit Panel to inform the annual appraisal of the Head of Assurance, in accordance with Standard 1100;
- My Performance reviews conducted for each auditor based on the principles of the CIPFA Guidance document “The Excellent Internal Auditor” (2010) to inform the appraisal process and identify individual training and development needs.

Performance Indicators

- 2.4 Performance indicators are in place to monitor the audit team productivity and customer feedback:
- Audit Assignment (target 90%) – this will be measured as the number of audit assignments completed by the target date.
 - Customer Satisfaction (target 90%) – this will be measured through the completion of post audit questionnaires.
 - Value Added (target 90%) – this will be measured through the number of audit clients who expressed that the audit added value from the post audit questionnaire.
- 2.5 In addition, performance indicators are in place to monitor the Council’s performance in terms of implementation of recommendations, on a Directorate basis:
- High Recommendations (90% target) – this will be measured by the number of high priority recommendations implemented by the agreed implementation date.
 - Medium Recommendations (90% target) – this will be measured by the number of medium priority recommendations implemented by the agreed implementation date.

3. EXTERNAL ASSESSMENTS

- 3.1 External assessments will appraise and express an opinion about Internal Audit’s conformance with the PSIAS Mission of Internal Audit, Definition of Internal Auditing and Code of Ethics and include recommendations for improvement, as appropriate.

Frequency of External Assessment

- 3.2 An external assessment will be conducted at least every five years, in accordance with the PSIAS. A system of Peer Reviews will be undertaken across the North West Chief Audit Executive Group. The Council’s Internal Audit Service was assessed in March 2018 and was judged to conform to the standards, some minor recommendations were made during the Peer Review and these are detailed in Section 4 below. The next external assessment is due to be completed in quarter four 2023/24.
- 3.3 With the introduction of the new standards due to be effective from 2025, consideration will be given to procuring an external assessment from CIPFA.

Scope of External Assessment

- 3.4 The external assessment will consist of a broad scope of coverage that includes the following elements of Internal Audit activity:
- Conformance with the *Standards*, Mission of Internal Audit, Definition of Internal Auditing, the Code of Ethics, and Internal Audit’s Charter, Strategy, plans, policies, procedures, practices, and any applicable legislative and regulatory requirements;

- Integration of the Internal Audit activity into Tameside's governance framework, including the audit relationship between and among the key groups involved in the process;
- Tools and techniques used by Internal Audit;
- The mix of knowledge, experiences, and disciplines within the staff, including staff focus on process improvement delivered through this QAIP;
- A determination whether Internal Audit adds value and improves Tameside's operations.

4. REPORTING

- 4.1 The outcome of internal assessments and any external assessments will be reported to the Director of Resources and the Audit Panel/GMPF Local Board. The Head of Assurance will not state that the Internal Audit Service conforms with the PSIAS unless the results of the QAIP (including a completed external assessment) confirm this.
- 4.2 The Head of Assurance will implement appropriate follow-up to any identified actions to ensure continual improvement of the service.
- 4.3 Progress in implementing agreed improvement plans will be included as part of the Annual Report to the Audit Panel/GMPF Local Board.
- 4.4 Any significant areas of non-compliance with the PSIAS will be reported in the Head of Assurance's Annual Report, which is used to inform the Annual Governance Statement (AGS).

5. REVIEW OF THE QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

- 5.1 This document will be appropriately updated following any changes to the PSIAS or Internal Audit's operating environment and will be reviewed at least on an annual basis.