

**Committee Name and Date of Committee Meeting**

Audit Committee – 25 June 2024

**Report Title**

Internal Audit Annual Report 2023-24

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director of Finance and Customer Services

**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

This report provides information on the role of Internal Audit; the work completed during 2023-24 and highlights the key issues that have arisen from it. It provides the overall opinion of the Head of Internal Audit on the adequacy of the Council's control environment, risk management and governance. It also provides information regarding the performance of the Internal Audit function during 2023-24.

Based upon internal audit work undertaken and taking into account other internal and external assurance processes it has been possible to complete an assessment of the Council's overall control environment. In the opinion of the Head of Internal Audit, Rotherham Metropolitan Borough Council had overall an adequate and effective framework of governance, risk management and control during 2023-24. This opinion and the contents of this report feed into the Annual Governance Statement.

**Recommendations**

The Audit Committee is asked to:

1. Note the Internal Audit work undertaken during the financial year 2023-24 and the key issues that have arisen from it.
2. Note the overall opinion of the Head of Internal Audit on the adequacy and effectiveness of the framework of governance, risk management and control within the Council.

**List of Appendices Included**

Appendix 1 Internal Audit Annual Report 2023-24.

**Background Papers**

UK Public Sector Internal Audit Standards.

Local Government Application Note.

Accounts and Audit (England) Regulations 2015.

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No.

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **Internal Audit Annual Report 2023-24**

### **1. Background**

- 1.1 Internal Audit produced a risk based Annual Audit Plan in accordance with the UK Public Sector Internal Audit Standards (PSIAS). This was received by the Audit Committee at its meeting in March 2023. The Plan was regularly reviewed and monitored during the year so that it provided sufficient coverage of the key risks facing the Council.
- 1.2 During the year the Audit Committee received periodic updates on the work of Internal Audit and a summary of the key issues that arose. This annual report is a summary of Internal Audit activity during 2023-24.
- 1.3 The report is attached at **Appendix 1** and includes the following information:
  - Legislative requirements and Professional Standards
  - The Head of Internal Audit's annual opinion on the control framework, risk management and governance
  - Resources and audit coverage during the year
  - Summary of audit work undertaken during 2023-24, including both planned and responsive / investigatory work
  - Summary of other evidence taken into account for control environment opinion
  - Summary of audit opinions and recommendations made
  - Internal Audit performance indicators

### **2. Key Issues**

- 2.1 The Head of Internal Audit's opinion is that there was overall an adequate and effective framework of governance, risk management and control during the majority of the year.
- 2.2 We gave an opinion of partial assurance in five areas subject to audit. We can confirm that action plans have been agreed with management in respect of all final audit reports issued.
- 2.3 Overall, resource levels provided sufficient capacity to provide an adequate level of assurance, and sufficient work was completed to enable the Head of Internal Audit to provide her overall opinion.
- 2.4 Public Sector Internal Audit Standards (PSIAS) require that an internal assessment of the Internal Audit function must be undertaken annually, with an external assessment at least every five years. In 2020-21 an external assessment was completed which showed general conformance with the standards. The internal assessment during 2023-24 showed this had been maintained.
- 2.5 A Quality Assurance and Improvement Programme (QAIP) was put into place during 2021 using the results of the external assessment. An updated QAIP based on the latest internal assessment has been produced to maintain and increase the level of conformance within the team.

### **3. Options considered and recommended proposal**

- 3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for overseeing the work of Internal Audit. It provides an annual summary of Internal Audit work completed and the key issues arising from it and the overall opinion of the Head of Internal Audit on the adequacy of the Council's control environment. It also provides information about the performance of the Internal Audit function during the year.

### **4. Consultation on Proposal**

- 4.1 All Internal Audit reports referred to in this report have been discussed and agreed with the appropriate Service Manager and Assistant Director, and have also been issued formally to the relevant Strategic Director, Chief Executive and the Leader. Where an opinion of partial or no assurance has been given, the report was also sent to the Chair of the Audit Committee.

### **5. Timetable and Accountability for Implementing this Decision**

- 5.1 The Audit Committee is asked to receive this report at its 25<sup>th</sup> June 2024 meeting.

### **6. Financial and Procurement Advice and Implications**

- 6.1 There are no direct financial or procurement implications arising from this report. The budget for the Internal Audit function is contained within the budget for the Finance and Customer Services Directorate.

### **7. Legal Advice and Implications**

- 7.1 The provision of Internal Audit is a statutory requirement for all local authorities that is set out in the Accounts and Audit (England) Regulations 2015. These state: *"each principal authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."*
- 7.2 Internal Audit also has a role in helping the Council to fulfil its responsibilities under s.151 of the Local Government Act 1972, which are: *"each local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs."*

### **8. Human Resources Advice and Implications**

- 8.1 There are no direct Human Resources implications arising from this report.

### **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 This document constitutes a report of progress against delivery of the Internal Audit Plan 2023-24. A significant proportion of the Plan was devoted to the

examination of risks facing Children and Young People's Services and Adult Social Care.

## 10. Equalities and Human Rights Advice and Implications

10.1 There are no direct Equalities and Human Rights Implications arising from this report.

## 11. Implications for Partners

11.1 Internal Audit is an integral part of the Council's Governance Framework, which is wholly related to the achievement of the Council's objectives, including those set out in the Corporate Improvement Plan and Children's Services Improvement Plan.

## 12. Risks and Mitigation

12.1 The following risks have been identified:

Risk	Impact	Likelihood	Mitigation
Failure to deliver the audit plan. Unable to give an annual opinion and assurance to the council.	4	2	Risk-based approach to audit planning, including consultation with management. Robust task/time management process. Audit Plan kept under review to ensure it reflects key risks across Council. Half-yearly meetings with all Directorate Leadership Teams to ensure plan is up to date. Progress reports provided to Audit Committee.
Increased incidence of suspected fraud/corruption impacting on the ability to achieve the audit plan.	5	1	Time for investigations included in the plan. Proactive anti fraud work planned. Senior management and Audit Committee informed that the plan is flexible and should be reactive to risks.
Age profile of the team. Loss of knowledge and expertise if older team members leave.	4	4	Training and development of the team. Succession planning. Introduction of a new data analytics approach to entice colleagues with previously unrealised transferable skills into the profession.

## 13. Accountable Officer(s)

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This report is published on the Council's [website](#).



# **Rotherham Metropolitan Borough Council**

## **Internal Audit Annual Report 2023-24**

# 1 Introduction

## 1.1 Objectives of the Report.

The objectives of this report are:

- To provide a summary of the Internal Audit work undertaken during the financial year 2023-24 and the key issues that have arisen from it.
- To present the opinion of the Head of Internal Audit on the adequacy and effectiveness of the Council's control environment, risk management and governance arrangements, which supports the Council's Annual Governance Statement (AGS).
- To provide information regarding the performance of the Internal Audit function during the 2023-24 year.

This report is presented to the Audit Committee to enable the Committee to fulfil its responsibility for overseeing the work of Internal Audit.

## 1.2 Legislation Surrounding Internal Audit.

The provision of Internal Audit is a statutory requirement for all local authorities that for the period under consideration is set out in the Accounts and Audit (England) Regulations 2015. These state:

*“each principal authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”*

Internal Audit also has an important role in helping the Council to fulfil its responsibilities under s.151 of the Local Government Act 1972, which are that:

*“each local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”.*

## 1.3 Professional Standards.

The professional responsibilities for Internal Auditors are set out in the International Standards for the Professional Practice of Internal Auditing, published by the Chartered Institute of Internal Auditors (CIIA) in the UK and Ireland. Public Sector Internal Audit Standards (PSIAS) are based on the international standards.

The Standards require the Head of Internal Audit to develop a Quality Assurance and Improvement Programme (QAIP), designed to enable an evaluation of Internal Audit's conformance with the Standards. The QAIP must include both internal and external assessments. External assessments must be completed at least every five years. Internal assessments must include:

- Ongoing monitoring of the performance of the Internal Audit activity; and
- Periodic self-assessments

An external assessment was completed in November 2020 with the results reported to the Audit Committee in January 2021. The Internal Audit Service was assessed as generally conforming to the Standards. The assessment resulted in the development of a QAIP. The latest internal assessment was completed in January 2024, which showed that General Conformance with the standards had been maintained. The QAIP was then updated for 2024.

The CIIA define General Conformance as follows.

**Generally Conforms** means the evaluator has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must not represent situations where the activity has not implemented the Standards or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, successful practice, etc.

Ongoing monitoring of performance is in place. The quality of audit work is ensured by the use of an audit manual, ongoing supervision and management of staff and the review of all audit work. Performance targets are set and actual performance is reported regularly to the Audit Committee.

#### **1.4 The Definition and Role of Internal Audit.**

The definition of Internal Auditing in PSIAS is as follows:

*Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*

The role and responsibilities of the Rotherham MBC Internal Audit Service are outlined in the Internal Audit Charter which was revised during the year and approved by the Audit Committee. It also specifies the independence, authority, scope of work and reporting arrangements. All audit work is carried out in accordance with the contents of the Charter.

The role of Internal Audit is to provide an independent and objective opinion to the organisation on the overall adequacy and effectiveness of the framework of internal control, risk management and governance. Internal Audit is, therefore, a key part of the RMBC assurance cycle and one of the sources of assurance available to the Council and Audit Committee, which assists the Council to prepare the Annual Governance Statement.



## **1.5 Assurance.**

In giving the opinion on the framework of internal control, risk management and governance, it should be noted that assurance can never be absolute. The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all weaknesses that exist, or of all the improvements that may be required.

## **1.6 Independence.**

During 2023-24 the Head of Internal Audit carried out some wider organisational duties that might be considered to conflict with the purely independent role of Internal Audit. These relate to assisting in the preparation of the Annual Governance Statement and the role as one of the Whistleblowing Officers. Any conflicts are handled by independent scoping and reporting of these areas.

There have been no limitations on the scope of Internal Audit coverage during the year.

## **2. Internal Audit Assurance for 2023-24.**

### **2.1 Internal Audit Opinion.**

For the year ending 31 March 2024, based on the work we have undertaken, my opinion is that Rotherham Metropolitan Borough Council had overall an adequate and effective framework of governance, risk management and control.

### **2.2 Scope of the opinion.**

In arriving at that opinion, I have taken into account:

- The results of all internal audits undertaken during the year (see Appendix A for a summary of audits)
- The results of follow up action taken in respect of audits from previous years
- The appropriateness of the proposed action by management to address control weaknesses and consequent risks
- Matters arising from previous reports or other assurance providers to the Audit Committee and / or the Council
- No limitations having been placed on the scope of internal audit
- No resource constraints having been imposed on us which may have impacted on our ability to meet the full audit needs of the Council; and
- Where weaknesses have been identified, the action plans in place to address those weaknesses.

### **2.3 The basis of the opinion.**

In reaching this opinion the following factors were taken into particular consideration:-

## **Governance**

The Council's governance framework comprises a range of policies, procedures and processes. At the highest level this includes the Council Plan and the Year Ahead Delivery Plan. They are supported by a range of policies and strategies to ensure that governance is applied throughout the Council. During the year there were reviews of the Council Plan and the One Council Better Hearts Better Changes Workstream. In addition, many of the other audits undertaken touched on the implementation of the policies and strategies.

A Corporate Governance Group operated during the year, comprising the Corporate Improvement and Risk Manager and the Head of Internal Audit. The group produced the annual review of the RMBC Code of Corporate Governance based on the seven principals from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance on 'delivering good governance', published in 2016. This was updated and presented to the Audit Committee in November 2023.

The group has the following roles:

- Have oversight of the Code of Corporate Governance, including its implementation, review and revision on at least an annual basis
- Coordinate the production of the Annual Governance Statement and the assurances needed to underpin it
- Review the progress being made to address the issues reported in the previous year's Annual Governance Statement
- Ensure that recommendations from external bodies are appropriately followed up and reported to the Audit Committee
- Be responsible for responding to any ad hoc governance issues as required.

The group has prepared and drafted the Annual Governance Statement. To do so the group issued corporate governance self-assessment questionnaires to Assistant Directors and asked for Statements of Assurance from Strategic Directors and Statutory Officers. This process provided an opportunity for senior officers to consider the effectiveness of governance arrangements. The Statement explains how RMBC complies with its own Code of Corporate Governance, in line with the seven principles from CIPFA/SOLACE.

## **Risk Management**

Risk management has been maintained throughout the year. There is a hierarchy of risk registers dealing with strategic and operational risks at SLT, DLT and service level. These are regularly reviewed, discussed and amended to ensure they remain up to date. Risks are escalated to the strategic level as necessary. The Audit Committee reviewed the strategic risk register in September 2023 and January 2024, and Directorate risk registers on a rolling basis throughout the year. An Internal Audit review of Risk Management was undertaken during the year, giving Substantial Assurance.

## Internal Control

Our opinion on the Council's control environment is based on our assessment of whether the controls in place in the services and functions subject to audit support the achievement of the Council's objectives, as set out in the 2023-24 Annual Audit Plan and the individual audit reports issued.

Audits were carried out in all areas of the Council during the year. The overall level of control found in audits was good. 90% of audits resulted in a substantial or reasonable assurance opinion, including 44% with substantial assurance. During 2023-24, 91 recommendations were made to improve the internal control, risk management and governance arrangements across the Council. Of these, 3 were in the highest category (red).

There were 5 partial assurance audit opinions in the year as follows:-

<b>Audit review</b>	<b>Directorate</b>
Joint funding of care packages	Children and Young People's Services
Hellaby stores	Regeneration & Environment
Building security follow up	Regeneration & Environment
Fire safety	Regeneration & Environment
Unaccompanied asylum seeking children	Children and Young People's Services

A comparison with the previous year shows assurance levels were at similar levels. In 2022-23, 87% of audits resulted in a substantial or reasonable opinion, including 53% with substantial assurance. During 2022-23, 107 recommendations were made. Of these, 9 were in the highest category (red). There were five partial assurance audit opinions in the year and one no assurance.

Summary results are given in **Appendix A** together with definitions of the assurance levels and recommendation categories.

### 2.4 Other evidence taken into account for the annual audit opinion.

In forming our opinion, we also take into account the findings from external reviews of the Council's activities. The Corporate Improvement and Risk Officer presents a six-monthly report that details recent and current external audits and inspections, including the details of arrangements that are in place regarding the accountability and governance for implementing recommendations arising from these. Reports were submitted to Audit Committee in August 2023 and January 2024.

### 3. Review of the Service.

#### 3.1 Resources.

During the year an auditor was recruited, the Head of Internal Audit retired in August and a new Head of Internal Audit joined in October. This had a negligible impact on resources available to deliver the audit plan.

The audit plan was delivered by the in-house team with the exception of some specialised IT audits completed by Salford City Council Internal Audit.

The Internal Audit team comprises 7.72 FTE's. The table below shows the number of years of audit experience.

<b>Years of experience in local government auditing</b>	<b>FTE at 31/03/24</b>
Less than 1 year	1
1-5 years	0
6-10 years	0
Over 10 years	6.72
<b>Total FTE</b>	<b>7.72</b>

It is the opinion of the Head of Internal Audit that resource levels throughout the year provided sufficient capacity to provide an adequate level of assurance to the Audit Committee and the Strategic Director of Finance and Customer Services. Sufficient work was completed during 2023-24 to enable the Head of Internal Audit to provide her overall opinion.

#### 3.2 Proficiency and due professional care.

Proficiency and due professional care are a key requirement of the PSIAS. All Internal Auditors have a personal responsibility to undertake a programme of Continuing Professional Development (CPD) to maintain and develop their competence. We have allocated time within the audit plan for CPD, training and personal development to be undertaken throughout the year to continuously improve the knowledge and skills within the Internal Audit section.

All members of the Internal Audit team are professionally qualified or are studying for professional qualifications and the table above demonstrates that there is also a good level of local government auditing experience within the team.

#### 3.3 Audit Plan.

The audit plan was originally prepared in early 2023 and presented to the Audit Committee in March 2023. The plan was designed to maintain a balanced programme of work that would inform Internal Audit's annual opinion on the overall adequacy of the Council's control environment.

As a result of planning meetings in 2023 with Directorate Leadership Teams several audits were added to the 2022/23 plan, which meant some audits within that plan were delayed, with a knock-on effect on the 2023/24 plan. To account for this, a new

plan was produced at the end of June for 2023/24 incorporating the remaining audits from 2022/23 and deferring some low priority reviews.

A formal review of the plan was undertaken following the new Head of Audit's commencement in role. This did not result in any significant changes to planned audits but enabled a realignment of days to new and emerging risks. The revised plan was discussed at the January 2024 Audit Committee meeting.

### 3.4 Level of Audit Coverage during the year

The number of audit days spent in each area compared to the original and revised plan is given in the table below.

<b>Audit Area</b>	<b>Original Plan Days</b>	<b>Revised Plan Days</b>	<b>Actual Days</b>
Assistant Chief Executive	115	81	125
Adult Care, Public Health and Housing	120	96	138
Children and Young People Services	130	115	130
Finance and Customer Services	180	153	161
Asset Management	10	40	23
Regeneration and Environment	115	126	245*
Corporate/Crosscutting	15	15	8
Investigations	150	150	93
Contingency	60	60	
Anti-Fraud	40	40	27
Grants	100	100	69
Follow Up reviews	20	20	
<b>Total</b>	<b>1045</b>	<b>996</b>	<b>1019</b>

*\*The reason for this variance is largely due to an audit which is currently at draft report stage which is a no assurance opinion. Additional time has also been spent during the year on the audits which resulted in partial opinions.*

The plan is flexible and subject to change during the year. The number of days planned for audits at the start of the year is reviewed when the audit is scoped in detail and is also subject to change depending on the findings.

There is always a time lag in terms of completion of audits, with the audit plan for any year not being completed at the end of March but between April and June. Additions and deferrals also make comparison of actual work completed against the plan more difficult.

During 2023-24, 48 (47 in 2022-23) final reports were issued. In addition, at year end there were another 7 (4 in 2022-23) audit reviews that had been completed, with the reports in draft form. In overall terms, this shows that the plan was substantially achieved.

### **3.5 Summary of Findings from Audit Reviews.**

Internal Audit provides an opinion on the control environment for all systems, services or functions which are subject to audit review. These are taken into account when forming our overall annual opinion on the Council's control environment. All final audit reports are issued to the appropriate Strategic Director, Assistant Director and Service Manager. The Chief Executive and Leader also receive a copy of all reports. In addition, where an opinion of partial or no assurance is given, the final report is also sent for information to the Chair of the Audit Committee. A summary of the results of reports issued during 2023-24 is given in **Appendix A**.

### **3.6 Reporting of Audit Findings.**

After reports are finalised Internal Audit subsequently seeks assurance that agreed actions emanating from audit work have actually been implemented. As a minimum this involves the manager responsible updating automated audit software with an assurance that agreed actions have been implemented or, where they have not, appropriate progress is being made. Where an audit results in a Partial or No Assurance opinion a follow up review is undertaken.

SLT receive a summary report based on the Progress Reports presented to the Audit Committee, showing progress against the plan, reports issued and outstanding recommendations.

### **3.7 Implementation of Audit Recommendations.**

All actions arising from audit recommendations are tracked automatically. The number of aged outstanding actions is reported to the Audit Committee within the progress report. There will always be valid reasons for some implementation dates not being achieved, so some delays will occur in the future, but they are strictly monitored to ensure they are kept to a reasonable level.

### **3.8 Anti-Fraud work and investigations.**

The Head of Internal Audit is one of the three Whistleblowing Officers who manage the response to any whistleblowing allegations. During the year the Internal Audit Service completed the following:

- The Anti-Fraud and Corruption Policy and Strategy were updated and presented to the Audit Committee in September 2023. They were subsequently entered onto the Intranet and the Policy is available on the Council's webpage.
- Continued to work on the National Fraud Initiative to identify errors and potential fraud. A total of 7,695 matches were received and they have all been closed. £5,318 of overpayments has been identified which is now being recovered from 7 claimants. This was identified from matches of Council Tax Reduction Scheme to payroll and HMRC property ownership.
- One investigation took place where an employee was also working at another employer. The individual resigned during the investigation.
- Two investigations were undertaken and finalised during the year. There is one that is in progress. The low number of investigations can partly be attributed to the strong internal controls and sound governance procedures in place. When investigations are carried out Internal Audit also reviews the issues arising from

the irregularities investigated, and where appropriate carries out wider testing to obtain either assurance or ascertain areas where improvements are needed.

- There was no pattern to the subjects of the investigations, and none were significant in terms of the governance of the Council.

### **3.9 Advisory work.**

This includes work that does not result in an audit report but adds value to the Council by contributing to working groups or providing advice. During the year this included the following:-

- *Supporting Families*  
Changes to the Supporting Families Programme 2022 to 2025 included an expansion programme designed to increase supporting families claims within local government. To achieve this the Council's manual process used to manage the claims needed to be much more data driven. IA provided advice to the service to agree on the most appropriate electronic data sources to identify outcomes, and ensure that any audit requirements regarding the level of evidence available to perform our work for the grant claim are captured.
- *Customer Services Efficiency Group*  
Participation in this group helps to ensure audit are informed of the latest areas the Group are working on, and where audit may wish to focus on at an early stage before changes to systems or ways of working are implemented.
- *Housing Electronic Document Management System Project Board*  
We provided advice from an audit perspective regarding internal controls and record retention, and aspects to pay attention to from a compliance with FPPR's perspective.
- *Corporate Information Governance Group*  
Participated as a check and challenge member of the group which has an information assurance role on behalf of the Council.
- *General Audit Queries and Advice*  
Over the course of the year, we have received and responded to a number of queries and requests for advice from directorates and service areas. These have covered a range of themes and areas, in the main relating to financial controls and record retention.

### **3.10 Grants.**

During the year the service completed reviews in accordance with the grant funding body requirements for the following grants.

- Supporting Families
- Disabled Facilities
- Bus Service Operators
- Rotherham Show
- Sparking Wonder, Making Connections
- Women of the World Festival
- Changing Places Fund

All were found to be accurately compiled and in accordance with the grant criteria.

### 3.11 Schools.

During the year, maintained schools completed a Control and Risk Self-Assessment exercise, managed by Internal Audit, with the results reported to CYPS management and the schools. Based on the results a themed review of asset management, pupil attendance, suspensions and permanent exclusions was undertaken with the results reported to CYPS management.

### 3.12 ICT Audits.

During the year we have once again engaged the services of another local authority's ICT Internal Audit Team who have over thirty other public sector clients. Based on a detailed risk assessment of our ICT risks they completed two audits during the year and another is in progress.

### 3.13 South and West Yorkshire Audit Group.

The Council's Internal Audit Service is a member of the South and West Yorkshire Internal Audit Groups. This facilitates comparisons and the sharing of best practice and includes groups for Heads of Internal Audit, Investigations, Contracts and Procurement, Children's Services and Adults Services.

### 3.14 Internal Audit Performance.

The Public Sector Internal Audit Standards (PSIAS) require a quality assurance framework to be established, which includes both internal and external assessments of the work of Internal Audit.

#### *External assessments*

Recommendations included within the external assessment report are included within the Quality Assurance Improvement Programme together with any actions identified from the internal annual self assessment that is completed. This was reported to the Audit Committee in January 2024 and the ongoing actions are highlighted in the table below.

<b>Quality Assurance and Improvement Programme Action Plan</b>	
<b>Action</b>	<b>Position statement</b>
Further enhance the use of data analytics.	This action is underway with a review of alternative sources of data analytics software and training sessions planned.
Complete skills and competency assessments as part of the PDR process.	A training and development plan for the Internal Audit Service will be produced which will identify any audit



	specific training needs and how these will be addressed.
Review the need for assurance mapping, to improve audit planning.	This will be reviewed in 2024-25 where Cipfa's detailed assurance framework guide 2024 (yet to be issued) will be used to take forwards this development.
A review of KPI's will be undertaken, benchmarking with other authorities and having due regard to best practice.	This will be undertaken during Q2-3 in readiness for the September Audit Committee progress report.
Undertake a self assessment against the new Global Internal Audit Standards and develop an action plan to capture any areas that need to be enhanced.	To be undertaken by December 2024 taking into consideration the public sector consultation material that should be issued by September 2024.

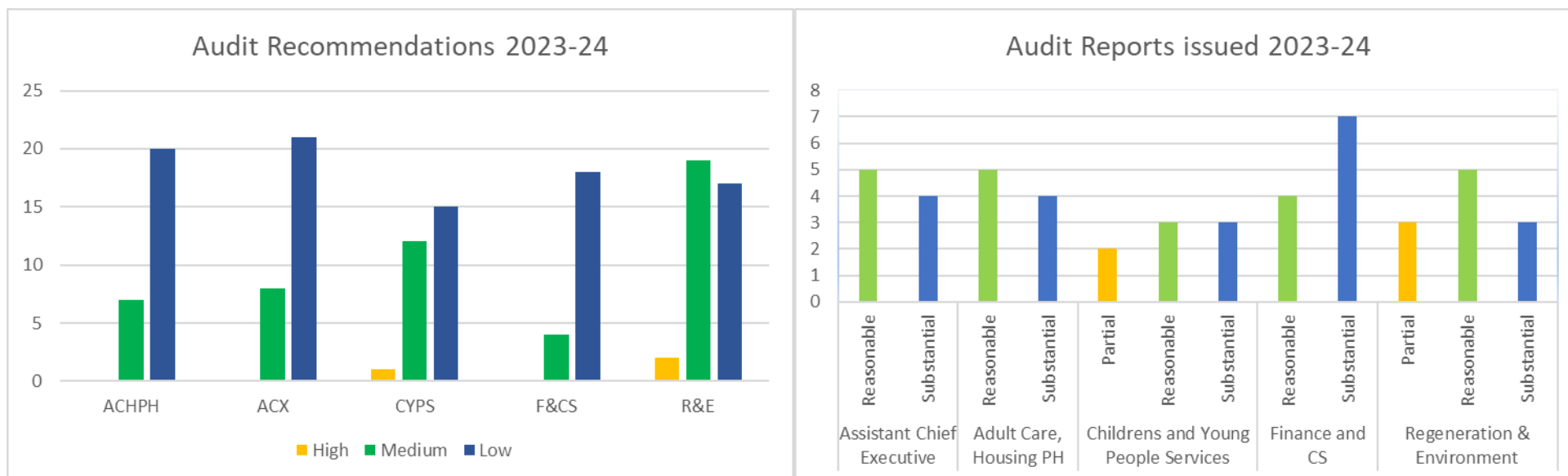
### *Internal assessments*

Customer Satisfaction Questionnaires (CSQs) are issued to clients when the final audit report is issued. The information returned is used to identify any training and development needs, areas for improvement in the audit process, or coverage proposed for future years. An annual summary of results is included, together with our performance against a number of key indicators below.

<b>Performance Indicator</b>	<b>2022-23 Actual</b>	<b>2023-24 Target</b>	<b>2023-24 Actual</b>
Draft reports issued within 15 days of field work being completed	94%	90%	84%
Productive Time / Total Time	83%	80%	70%
Audits completed within planned time	94%	90%	89%
Client Satisfaction Survey	99%	100%	100%

**Analysis of Internal Audit opinions and recommendations 2023-24**

The graphs below show a summary of the audit opinions and recommendations that have arisen from audit work completed during the period.



## APPENDIX A

Rating	Definition
Substantial Assurance	<p>Substantial assurance that the system of internal control is designed to achieve the service's objectives and this minimises risk.</p> <p>The controls tested are being consistently and effectively applied.</p> <p>Recommendations, if any, are of an advisory nature to further strengthen control arrangements.</p>
Reasonable Assurance	<p>Reasonable assurance that the system of internal control is designed to achieve the service's objectives and minimise risk. However, some weaknesses in the design or inconsistent application of controls put the achievement of some objectives at Low risk.</p> <p>There are some areas where controls are not consistently and effectively applied and / or are not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
Partial Assurance	<p>Partial assurance where weaknesses in the design or application of controls put the achievement of the service's objectives at a Medium risk in a significant proportion of the areas reviewed.</p> <p>There are significant numbers of areas where controls are not consistently and effectively applied and / or are not sufficiently developed.</p> <p>Recommendations may include high priority and medium priority matters.</p>
No Assurance	<p>Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes service objectives to an unacceptable High level of risk.</p> <p>There is significant non-compliance with basic controls which leaves the system open to error and / or abuse. Recommendations will include high priority matters and may also include medium priority matters.</p>