

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	AUDIT AND STANDARDS COMMITTEE	15 JULY 2021	7
<b>INTERNAL AUDIT EFFECTIVENESS</b>			

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

This report relates to the results of the External Quality Assessment of Conformance to the Public Sector Internal Audit Standards relating to Mersey Internal Audit Agency (MIAA), who provide the Council's internal audit function. The assessment of MIAA was undertaken by an independent assessor from the Policy and Technical Unit of CIPFA in November 2020 and involved review of key documents and processes and interviews with a range of staff and a sample of key stakeholders (supplemented by a survey of wider key stakeholders).

MIAA were assessed as fully compliant with all standards, with 2 low priority recommendations made to enhance processes which have been actioned.

The report provides a key assurance to the Audit and Standards Committee to support the assessment of the effectiveness of MIAA.

### RECOMMENDATIONS

That the Committee notes the results of the assessment as part of the Audit and Standards Committee's consideration of the system of internal control.

### SUMMARY OF PREVIOUS DECISIONS

None

### CORPORATE PRIORITIES

Economy – To create a vibrant and healthy economy	√
Environment – To deliver services customers expect	√
Efficiency – By spending money in the most efficient way	√
Tourism – To create a great place to live and visit	√

### BACKGROUND

1. The Accounts and Audit (England) Regulations 2015 requires the relevant body, at least once in each year, to conduct a review of the effectiveness of its system of internal audit. The purpose behind the review is to ensure that the opinion in the annual report by the Head of Audit can be relied upon as a key source of evidence in the

Annual Governance Statement

2. With effect from 1 April 2013, the Code of Practice for Internal Audit in Local Government in England and Wales was replaced by the Public Sector Internal Audit Standards (PSIAS). These standards are applicable to the whole of the public sector, although a Local Government Application Note (LGAN) was produced by CIPFA in collaboration with the Chartered Institute of Internal Auditors as a sector specific requirement within the PSIAS framework. The LGAN was re-issued in 2019.
3. One of the Attribute Standards refers to a Quality Assurance and Improvement Programme (QAIP) which must comprise both internal and external assessments. Internal assessments are both ongoing and periodic, whilst an external assessment must be undertaken at least once every five years.
4. The LGAN states that if the periodic assessment is in the form of a self-assessment, the checklist contained within the guidance should be used for assessing conformance as it covers both the PSIAS and the LGAN

**ASSESSMENT**

5. In order to meet the requirements of the Accounts and Audit Regulations a self-assessment has previously been carried out by the Head of Audit using the checklist contained within the revised LGAN.
6. However this year, due to internal audit function of the council being provided by MIAA this evaluation report is an appropriate replacement.

IMPLICATIONS	
Finance	None arising from this report
Legal	There are no legal implications arising from this report, however the provision of an Internal Audit Service is a requirement of the Accounts and Audit Regulations 2015.
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Local Government Application Note	2019	Internal Audit Office, Town Hall

Attached documents

Appendix A – Final Report – External Quality Assessment of Conformance to the Public Sector Internal Audit Standards – Mersey Internal Audit Agency – November 2020