Internal Audit Quality Assurance & Improvement Programme (QAIP) 2016/17

Introduction

Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to the various stakeholders of Lancaster City Council that Internal Audit:

- Performs its work in accordance with its Charter, which is consistent with the Public Sector Internal Audit Standards (PSIAS) and associated Local Government Application Note (LGAN), Definition of Internal Auditing and the Code of Ethics;

- Operates in an efficient and effective manner; and

- Is adding value and continually improving Internal Audit's operations.

The Internal Audit and Assurance Manager is ultimately responsible for the QAIP, which covers all types of Internal Audit activities. In accordance with the PSIAS, the QAIP makes provision for both internal and external assessments. Internal assessments are both ongoing and periodical and external assessments must be undertaken at least once every five years.

Internal Assessment

Internal Assessment is made up of both on-going reviews and periodic reviews.

On-going Reviews

On-going review is maintained through:

- Audit policies and procedures used for each engagement including the Internal Audit Manual to ensure compliance with applicable planning, fieldwork and reporting standards;

- Assignments managed and recorded using the established electronic Audit Management System;

- An appropriate level of supervision of all engagements;

- Weekly team update meetings on progress with assignments;

- Regular, documented review of work papers during engagements.

- Seeking and reviewing post-completion feedback from audit clients for individual audit assignments;

- All draft and final reports and action plans reviewed and approved by the Internal Audit Manager.

Periodic Reviews

Periodic reviews are designed to assess conformance with Internal Audit's Charter, the PSIAS/LGAN, Definition of Internal Audit, the Code of Ethics, and the efficiency and effectiveness of internal audit in meeting the needs of the Council and its other stakeholders. Periodic reviews will be conducted through:

- Monthly one-to-one meetings between each member of the Internal Audit team and their line manager;

- Activity and performance reporting to each scheduled meeting of the Audit Committee; and

- Annual self-assessment of conformance with the PSIAS/LGAN.

Any resultant action plans will be monitored by the Internal Audit Manager in line with the Audit Committee reporting cycle.

External Assessment

External assessments will appraise and express an opinion about Internal Audit conformance with the PSIAS/LGAN, Definition of Internal Audit and Code of Ethics and include recommendations for improvement as appropriate.

Ten of the authorities involved in the Lancashire District Chief Auditors Group have now agreed upon arrangements for a 'peer review' process to meet this requirement. A memorandum of understanding has been drawn up for the 'Peer Review' process setting the methodology for the assessment.

A schedule for assessments has recently been drawn up and agreed between the participants. This schedule provides for the external assessment of Lancaster City Council's internal audit function to be carried out in October 2017.

Reporting

Internal Assessments: the outcomes and conclusions from internal assessments will be reported to the Audit Committee on an annual basis; normally as part of the Internal Audit and Assurance Manager's Annual Report.

External Assessments: the results of external assessments will be reported to the Audit Committee at the earliest opportunity following receipt of the external assessor's report. The external assessment report will be accompanied by an action plan in response to significant findings and recommendations contained in the report.

Follow Up: the Internal Audit and Assurance Manager will implement appropriate follow-up actions to ensure that recommendations made in the report and action plans developed are implemented in a reasonable timeframe.