



Doncaster Council

Report

Date: 26th January 2022

To the Chair and Members of the AUDIT COMMITTEE

EXTERNAL QUALITY ASSESSMENT OF THE COUNCIL'S INTERNAL AUDIT SERVICE

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		No

EXECUTIVE SUMMARY

1. The Committee is asked to consider the External Quality Assessment of the Council's Internal Audit Service. It provides the Audit Committee with details of the recent review of the Council's Internal Audit Service conformance with the United Kingdom Public Sector Internal Audit Standards (UKPSIAS). The service provides Internal Audit Services to both Doncaster Council and St Leger Homes of Doncaster and therefore represents the Internal Audit arrangements for both organisations.

EXEMPT REPORT

2. The report does not contain exempt information.

RECOMMENDATIONS

3. The Committee is asked to note the content of the assessment and approve the action plan.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. The Council's Internal Audit Service provides audit services to Doncaster Metropolitan Borough Council and St Leger Homes of Doncaster (SLHD). Although presented to Doncaster Council's Audit Committee, this report also provides assurance to the SLHD Board and Audit Committee that the Council's Internal Audit Service is professionally competent to meet their internal audit needs.

The independent assessment of the effectiveness of Internal Audit provides assurance to citizens and the borough that the Internal Audit arrangements contribute effectively to the Council's system of internal control in order to

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manage risks to the required level and helps ensure that resources are being utilised efficiently in providing value for money services.

BACKGROUND

5. PSIAS are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). These are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.
6. An external assessment must be conducted at least once every five years. The current assessment represents the second external assessment of Doncaster's Internal Audit Service against these standards, the previous assessment having being undertaken in 2017.
7. The Heads of Internal Audit from four councils within South and West Yorkshire established a 'peer-review' process that is managed and operated by the constituent councils. The assessor is David Webster, the Head of Internal Audit of Rotherham Council and is a qualified CFIIA (Fellow of the Chartered Institute of Internal Auditors UK) and QIAL (Qualified in Internal Audit Leadership, IIA Global) and has over thirty years' experience within internal audit including performing the role of Chief Audit Executive (Head of Internal Audit) within local government for fifteen years.
8. The self-assessment validation comprised a combination of a review of evidence provided by the service; a review of a sample of five completed internal audits; attendance at an Audit Committee meeting; and a series of interviews with key stakeholders, either in person or using MS Teams. A Pulse survey had recently been carried out and this was also utilised as reference material.
9. It is pleasing to report that the assessment has confirmed that Doncaster's Internal Audit arrangements have again received the highest of the three possible ratings within the UKPSIAS standards and Code of Ethics, "Generally Conforms". This means that Doncaster's Internal Audit arrangements regarding its Charter, Policies and Processes are judged to be in conformance with the Standards. This is important as this assessment opinion enables the Doncaster Council & St Leger Homes to have confidence over their internal audit arrangements. It also gives confidence that the annual opinion of the Head of Internal Audit is supported by a professional and competent service and is evidenced based. This assessment supports previous years' self-assessments reported by the Head of Internal Audit which concluded that the service was conforming with the standards.
10. The report additionally notes the following observations identified during the external assessment:
 - (i) It was clear from the interviews with key stakeholders and from the assessment of documentation that the service is valued and makes an active contribution to the improvement of the systems of governance, risk management and internal control. This was borne out by the Pulse survey carried out by the service shortly before this review. The results were overwhelmingly positive, but the service also reviewed the comments to identify any areas of potential improvement.

- (ii) The service is headed by experienced leaders who have a good reputation with stakeholders. Roles and responsibilities are understood and there is regular timely communication of audit assurances, issues and concerns to management and Members.
 - (iii) It is clear that the Core Principles for the Professional Practice of Internal Auditing are embedded in the practices of Doncaster Internal Audit and that it is a competent and professional service that conforms to all ten elements of the Core Principles
 - (iv) It is clear that Doncaster Internal Audit demonstrates integrity, objectivity, confidentiality and competency and have regard to the seven principles of public life as required by PSIAS
11. The Head of Internal Audit has set out his agreed actions in response to the service improvement opportunities action plan. The final action refers to a further plan with nine actions within it. These cover debriefs, customer survey, skills assessment, fraud training, data analytics, procedures, code of ethics, follow-up process and pulse survey actions. Ongoing progress against these actions will be reported to the Audit Committee in the regular internal audit progress updates.

OPTIONS CONSIDERED AND RECOMMENDED OPTION

12. There are no specific options to consider within this report as it provides an opportunity for the Committee to review and consider the outcome from the assessment with the UKPSIAS standards.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

13.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home 	

	<ul style="list-style-type: none"> • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>The work undertaken by Internal Audit improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS AND ASSUMPTIONS

14. Internal Audit contributes to and strengthens the effective management of risks in relation the Council's governance and control arrangements.

LEGAL IMPLICATIONS [Officer Initials SRF Date 12/01/22]

15. In accordance with S5(1) of The Accounts and Audit Regulations 2015 “A relevant 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.”

The work described within this report provides assurance as to the effectiveness of these arrangements

FINANCIAL IMPLICATIONS [Officer Initials RLI Date 13/01/22]

16. There are no financial implications arising from this report.

HUMAN RESOURCES IMPLICATIONS [Officer Initials SH Date 12/01/2022]

17. There are no specific human resources issues associated with the contents of this report.

TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 12/01/22]

18. There are no specific technology implications in relation to this report.

HEALTH IMPLICATIONS [Officer Initials RS Date 12/01/22]

19. Good governance is important for all organisations, and for the council that will contribute to the health and wellbeing of residents and staff. The external quality assessment of the council’s internal audit service provides significant assurance of good governance.

EQUALITY IMPLICATIONS [Officer Initials PRJ Date 09/01/22]

20. We are aware of the Council’s obligations under the Public Sector Equalities Duties and there are no identified equal opportunity issues within this report.

CONSULTATION

21. An important aspect of the review involved interviewing key stakeholders including the Chair and Vice Chair of the Audit Committee, the Chief Executive, the Chief Financial Officer and the External Auditors of Doncaster Council. The Director of Corporate Service for St Leger Homes was also interviewed as part of the process.

BACKGROUND PAPERS

22. United Kingdom Public Sector Internal Audit Standards and audit working files.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

23. UKPSIAS - United Kingdom Public Sector Internal Audit Standards
SLHD - St Leger Homes of Doncaster
IIA - Institute of Internal Auditors
IPPF - International Professional Practices Framework

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