

## **AUDIT AND GOVERNANCE COMMITTEE**

**26 April 2019**

### **REVIEW OF INTERNAL AUDIT 2018/19**

#### **Report of the Executive Director of Corporate Services**

#### **1. Purpose of Report**

- 1.1 The purpose of this report is to inform the Committee of the results of the review of Internal Audit undertaken by the External Auditor, Mazars.

#### **2. Background**

- 2.1 The Public Sector Internal Audit Standards (PSIAS) and CIPFA Application Note require that every local government internal audit service is subject to an external assessment of its work against the standards, at least once every five years. The External Auditor, Mazars, has undertaken a review of the Internal Audit service against these standards in December 2018.

#### **3. Findings of the Review**

- 3.1 The findings of the review are attached in the External Auditor's report. The approach used was to conduct a review of Internal Audit's self assessment against the standards and a detailed review of a sample of Internal Audit files to assess how well the standards are complied with.

- 3.2 The External Auditor's review concluded that:

*'We conclude that the IA is compliant with the requirements of the PSIAS and the CIPFA Application Note.'*

- 3.3 The review highlighted areas of good practice, specifically in relation to the:

- Integrated Assurance Framework.
- Audit Manual and MKI e-audit system.
- Proficiency of the internal auditors.

- 3.4 A small number of areas for continuous improvement have been identified which have been agreed and will be addressed.

#### **4. Recommendations**

- 4.1 The Committee is asked to note the positive opinion provided.