

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

27 APRIL 2017

REPORT OF THE CHIEF INTERNAL AUDITOR

EXTERNAL ASSESSMENT

1. Purpose of Report

- 1.1 To present to Members the final report of the External Assessment of the Internal Audit Shared Service.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 Internal Audit's work impacts on all of the Corporate Improvement Objectives and other Corporate Priorities.

3. Background

- 3.1 External Assessments are required to be undertaken to appraise and express an opinion about internal audit's conformance with the PSIAS' Definition of Internal Auditing and Code of Ethics and to include recommendations for improvement, as appropriate. An external assessment must be conducted at least every five years, in accordance with the PSIAS.
- 3.2 At the Committee meeting held on 28th January 2016, Members expressed their preference for the External Assessment against the PSIAS to be carried out by an independent organisation rather than by Peer Review.

4. Current situation / proposal

- 4.1 In accordance with the requirements of both Councils Audit Committees a procurement exercise was undertaken to procure the most economically advantageous organisation to undertake an external assessment of the Bridgend and Vale Internal Audit Shared Service; ensuring compliance with the Vale of Glamorgan Council's Contract and Financial Procedure Rules. As a consequence, the Chartered Institute of Public Finance and Accountancy (CIPFA) were commissioned to undertake the assessment.
- 4.2 The review commenced on the 30th January 2017 and the on site assessment concluded on the 3rd February 2017. The report is attached at **Appendix A**.
- 4.3 The Assessor met with Statutory Officers, Chief Officers, Auditees, and Auditors from both Councils, in addition to the Chairs of Audit Committees.

4.4 The Assessor has made 18 recommendations and a further 10 suggestions for improvement. The Action Plan (including responses and action dates) is attached at Appendix 1 of the report.

4.5 Whilst it is clear that the assessment has identified some recommendations and suggestions for improvement; overall the assessment identified no areas of non-compliance with the standards that would affect the overall scope or operation of the internal audit activity. Indeed, the Assessor has further stated that all auditees and Statutory Officers were positive in their responses and understanding of the audit process and the value it added.

4.6 Regular progress reports against the implementation of the recommendations and suggestions for improvement will be presented to the Audit Committee during the year.

5. Effect upon Policy Framework& Procedure Rules.

5.1 None.

6. Equality Impact Assessment.

6.1 There are no equality implications.

7. Financial Implications.

7.1 The total cost of the External Assessment excluding VAT is £6,738.04, and this will be met from within the budget for the shared service.

8. Recommendation.

8.1 That the Committee considers the report of the External Assessor and approve the actions for improvement as outlined in Appendix 1 attached to the report.

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Background Documents

None