



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 14 OCTOBER 2020

SUBJECT: PUBLIC SECTOR INTERNAL AUDIT STANDARDS – EXTERNAL QUALITY ASSESSMENT UPDATE

BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)

1. REASON FOR REPORT

- 1.1 To provide Committee with an update relative to implementing recommendations arising from the external quality assessment of Internal audit.
- 1.2 This report is submitted to Committee in terms of Section III (I) (2) and (7) of the Council's Scheme of Administration relating to consideration of reports from the Internal Auditor and monitoring the delivery of the audit service carried out by internal audit

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee consider and note progress towards addressing the recommendations arising from the external quality assessment of the internal audit service.**

3. BACKGROUND

- 3.1 A meeting of this Committee on 24 April 2019 (para 7 of the minute refers) considered a report detailing the results of an external quality assessment (EQA) of the Internal Audit service. This had been carried out by auditors from Fife Council to meet a requirement of the public sector internal audit standards that calls for an EQA to be carried out at least once every five years.
- 3.2 The report noted that the assessment involved the review of a portfolio of evidence and interviews with the Chair of the Audit and Scrutiny Committee, the Chief Executive, the then Corporate Director (Corporate Services) responsible for internal audit, as well as discussions and file reviews involving all staff in the audit team. A copy of the report together with an action plan containing recommendation for improvement was provided to the committee.
- 3.3 The action plan been updated to reflect progress made towards completion of the recommendations and this is now provided in **Appendix 1**. A number of

the actions have been completed, others are being picked up as time permits and this will continue until all agreed actions are completed.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

No implications directly arising from this report.

(b) Policy and Legal

The Public Sector Internal Audit Standards provide a policy framework for the delivery of an internal audit service.

(c) Financial implications

No implications.

(d) Risk Implications

The External Quality Assessment provides an independent overview of internal audit's application of the standards and mitigates the risk of non-compliance.

(e) Staffing Implications

No implications arising from this report.

(f) Property

No implications arising from this report.

(g) Equalities/Socio Economic Impact

No implications arising from this report

(h) Consultations

There have been no consultations in respect of this report.

5. CONCLUSION

5.1 The report provides committee with an update on progress towards addressing the recommendations made following an external quality assessment of the internal audit service.

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Background Papers: Public Sector Internal Audit Standards; External Quality
Assessment report by Fife Council

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