

Mountsett Crematorium Joint Committee

7 October 2020

Annual Review of the System of Internal Audit



Report of Alan Patrickson, Corporate Director of Neighbourhoods and Climate Change and John Hewitt, Corporate Director of Resources and Treasurer to the Joint Committee

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 The purpose of this report is to advise the Joint Committee of a review of the effectiveness of the Durham County Council Internal Audit Service, which was carried out by Durham County Council's Audit Committee in June 2020.

Executive summary

Conformance with UK Public Sector Internal Audit Standards (PSIAS)

- 2 In April 2013, the Public Sector Internal Audit Standards (PSIAS) became effective. These standards apply to Internal Audit in all parts of the public sector in the UK and are mandatory. The standards are intended to reflect that "a professional, independent and objective internal audit service is one of the key elements of good governance". The standards were revised from 1 April 2017 and it is these standards that Internal Audit works to.

Summary of the outcomes from the review carried out by DCC Audit Committee

- 3 The DCC Audit Committee considered, at its meeting on 29 June 2020, a report presented by the Chief Internal Auditor and Corporate Fraud Manager that provided evidence on the effectiveness of the service during 2019/20. This took the form of a self-assessment against the key

elements of the PSIAS and considered the following current arrangements for Internal Audit:

- The structure and resourcing level, including qualifications and experience of the audit team.
 - The extent of conformance with the PSIAS in producing quality work.
 - Ensuring audit work was successfully delivered in the most appropriate areas on a prioritised (risk) basis.
 - The overall performance of the Internal Audit team.
- 4 For 2019/20 this demonstrated that the Section was conforming to the Code's requirements and was based on the revised PSIAS brought into effect on 01 April 2017.
- 5 A copy of the report to the DCC Audit Committee can be found using the following link:

<https://democracy.durham.gov.uk/documents/s123376/08.%20Annual%20Review%20of%20the%20System%20of%20Internal%20Audit%202019-20.pdf>

Recommendation(s)

- 6 The Joint Committee is asked to note:
- The information provided that demonstrates the efficiency and effectiveness of the Durham County Council Internal Audit Service.

Background

- 7 The Joint Committee's internal audit provider is Durham County Council Internal Audit Services. The service is delivered in accordance with a Service Level Agreement (SLA) approved by the Joint Committee at its meeting on 24 September 2019.
- 8 In order to place reliance on the work of internal audit, and the annual audit opinion provided through it on the adequacy and effectiveness of the control environment operating across the Joint Committee, it is important that the Joint Committee is assured that the service is effective.
- 9 Under the Accounts and Audit Regulations 2015, Durham County Council as a large public body is required to carry out an annual review of the effectiveness of its Internal Audit Service. Whilst there is no such legal requirement for the Joint Committee as a small body under these regulations to do likewise, assurance can be provided on the effectiveness of the service provided to the Joint Committee from this review.

Other useful documents

Report to Durham County Council's Audit Committee on 29 June 2020

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Appendix 1: Implications

Legal Implications

Completion of the self-assessment review ensures compliance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards.

Finance

The broad programme of work undertaken by Internal Audit supports the Joint Committee in maintaining safe and efficient arrangements for the proper administration of its financial affairs Consultation

Equality and Diversity / Public Sector Equality Duty

There are no implications

Human Rights

There are no implications

Crime and Disorder

There are no implications

Climate Change

There are no implications

Consultation

None. However, Officers of Gateshead Council were provided with a copy of the report and given opportunity to comments / raise any detailed queries on the contents of this report in advance of circulation to members of the MCJC.

Staffing

As identified in the report.

Accommodation

There are no implications

Risk

There are no implications

Procurement

There are no direct risk implications arising for the Joint Committee as a result of this report, although we aim through our planning arrangements to

review the adequacy and effectiveness of the risk management arrangements in place.