

Mountsett Crematorium Joint Committee

29 September 2022

Annual Review of the System of Internal Audit



Report of Alan Patrickson, Corporate Director of Neighbourhoods and Climate Change and Paul Darby, 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 the County Council's Audit Committee in July 2022.

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 01 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 1 July 2022, a report presented by the Chief Internal Auditor and Corporate Fraud Manager that provided evidence on the effectiveness of the service during 2021/22. This took the form of an external assessment, which was carried out by CIPFA, during February 2022, against the PSIAS. The review examined Internal Audit's self-assessment, carried out in June 2021, and the final report from CIPFA provided the opinion that **'Durham County Council's Internal Audit Service's self-assessment is accurate and as such we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note'**. Within the assessment report, some improvement opportunities have been identified and an action plan has been developed to address these.
- 4 For 2021/22, 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.

Recommendation(s)

- 5 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

- 6 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.
- 7 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.
- 8 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 1 July 2022

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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

Consultation

None

Equality and Diversity / Public Sector Equality Duty

None

Human Rights

None

Crime and Disorder

None

Staffing

None

Accommodation

None

Risk

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.

Procurement

None

Climate Change

None