

Rother District Council

Report to:	Audit and Standards Committee
Date:	19 June 2023
Title:	Internal Audit - Peer Review
Report of:	Gary Angell, Audit Manager
Purpose of Report:	To report on the results of the latest peer review of Rother District Council's Internal Audit Service.
Officer	
Recommendation(s):	It be RESOLVED: That the information in the report be noted.

Introduction

1. As previously reported in the annual self-assessment of the Council's Internal Audit Service (Review of Internal Audit), it is a requirement of the Public Sector Internal Audit Standards that an external quality assessment is carried out at least once every five years. The last review was carried out in April 2017 so a further review was now due.
2. When these standards first came into effect in April 2013, the Sussex Audit Group, which was comprised of Audit Managers from the local authorities in East and West Sussex, decided to carry out peer reviews rather than external assessments and to carry out this work on a reciprocal basis to avoid any financial cost. This work was planned to ensure that neighbouring authorities did not audit each other. A similar approach has been adopted this time with a reciprocal arrangement between Hastings Borough Council (since replaced by Chichester District Council), Lewes District and Eastbourne Borough Councils, Wealden District Council, and Rother District Council.
3. A full review of Rother's Internal Audit Service was carried out by the Chief Internal Auditor at Lewes District and Eastbourne Borough Councils, hereafter referred to as "the Assessor".

Review Methodology

4. In order to carry out this review a framework was used which was first devised by the London Borough Councils.
5. The first part of the peer review consisted of a detailed examination of Internal Audit's policies and procedures and was designed to assess the section's purpose and positioning, its structure and resources, and its working methods against accepted good practice. During this process, the Assessor was provided with a wealth of information about how the Rother Internal Audit Service operates including examples of forms, documents and work carried out by the section so that these could be compared to the requirements of the Public Sector Internal Audit Standards. Questionnaires were also sent to officers in the Senior Leadership Team, all Heads of Service/Service Managers

and the Chair of the Audit and Standards Committee to obtain “customer” feedback and to determine whether or not Internal Audit’s work is having a positive impact on the Council.

6. The second part of the process involved the Audit Manager (a) reviewing the findings in the Assessor’s draft report and responding to any recommendations for improvement, and (b) adding his own assessment of how well the Internal Audit team is performing, taking into account the comments made in the customer feedback section.

Peer Review Findings

7. The Assessor’s final report has now been issued and is reproduced in Appendix A. The outcome of the review is a good one, with no significant issues found. The overall finding is that “*Rother’s Internal Audit function “generally conforms” with the standards*”.

Further Action

8. The peer review makes a total of six recommendations (referred to as ‘remedial actions’ in the report). All of these are relatively minor in nature, but they provide some useful pointers to how the Internal Audit Service can work towards full conformance with the Public Sector Internal Audit Standards. With the exception of one recommendation, all of the points made in the report have been accepted and will be implemented. Moreover, two of the recommendations had already been addressed prior to the report being issued.
9. A revised Quality Assurance and Improvement Programme action plan has been produced to incorporate actions to be taken following the peer review. This can be found in Appendix B.

Conclusion

10. The Internal Audit peer review has now been completed and reported in full, and it was found that the service generally conforms with the Public Sector Internal Audit Standards. Recommendations to improve the Internal Audit Service’s compliance with the standards were made and have been reviewed by the Audit Manager. All accepted recommendations have either been implemented or will be in the near future.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	External Consultation	No
Environmental	No	Access to Information	No
Risk Management	No	Exempt from publication	No

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Appendices:	A – Peer Review Report B – Action Plan 2023/24
Relevant Previous Minutes:	AS22/59 Review of Internal Audit 2022/23

Background Papers: None.

Reference None.

Documents:
