

**REPORT TO:** Audit and Governance Board

**DATE:** 25 September 2024

**REPORTING OFFICER:** Head of Audit, Procurement and Operational Finance

**PORTFOLIO:** Corporate Services

**SUBJECT:** Internal Audit Peer Review

**WARD(S)** Borough wide

**1.0 PURPOSE OF THE REPORT**

- 1.1 It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that an external assessment of the Council's internal audit arrangements should be carried out every five years.
- 1.2 In order to fulfil this requirement, an independent peer review of the Council's internal audit arrangements was conducted in February 2024 by senior Internal Audit representatives from other North West authorities.
- 1.3 The purpose of the external assessment is to help improve delivery of the audit service and to establish whether governance requirements relating to the provision of the service are embedded.

**2.0 RECOMMENDATION:**

**That members are requested to note the outcome of the most recent external assessment of the Council's internal audit function against the Public Sector Internal Audit Standards.**

**3.0 SUPPORTING INFORMATION**

- 3.1 The approach taken, findings and agreed actions from the peer review are set out within the attached report. The report concludes that the Council's internal audit arrangements conform to the PSIAS.
- 3.2 The attached report details many positive observations and good practices identified by the review team. It also includes some recommendations that are intended to add value by strengthening the existing arrangements further.
- 3.3 Details of the recommendations made are included in the action plans at the end of the report. All recommendations were agreed and will be implemented.

3.4 One of the recommendations related to reviewing the terms of reference for the Audit and Governance Board to ensure that it is aligned with the CIPFA best practice model. This issue will be addressed as part of the forthcoming review of the Council Constitution.

#### 4.0 **POLICY IMPLICATIONS**

4.1 There are no direct policy implications arising from the report.

#### 5.0 **FINANCIAL IMPLICATIONS**

5.1 There are no direct financial implications arising from the report.

#### 6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### 6.1 **Improving Health, Promoting Wellbeing and Supporting Greater Independence**

The provision of an effective internal audit service that conforms to the Public Sector Internal Audit Standards supports the achievement of all the aims and objectives set out in the Corporate Plan.

##### 6.2 **Building a Strong, Sustainable Local Economy**

See 6.1

##### 6.3 **Supporting Children, Young People and Families**

See 6.1

##### 6.4 **Tackling Inequality and Helping Those Who Are Most In Need**

See 6.1

##### 6.5 **Working Towards a Greener Future**

See 6.1

##### 6.6 **Valuing and Appreciating Halton and Our Community**

See 6.1

#### 7.0 **RISK ANALYSIS**

7.1 This report is for information purposes only. However, the results of the peer review provide independent assurance that the Council's internal audit arrangements conform to best practice. Failure to conform to best practice could potentially compromise the quality of the assurance provided by internal audit over the Council's risk management, governance, and control arrangements.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None arising from this report.

9.0 **CLIMATE CHANGE IMPLICATION**

9.1 None arising from this report.

10.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF  
THE LOCAL GOVERNMENT ACT 1972**

None under the meaning of the Act.