

HUMAN RESOURCES STRATEGIC FORUM

TITLE OF REPORT : UPDATE ON SHARED INTERNAL AUDIT SERVICES FROM STRATEGIC FORUM DECEMBER 2012

REPORT OF THE CORPORATE HUMAN RESOURCES MANAGER

JSCC have asked whether the Shared Internal Audit Service (SIAS) had been successful and, if it had proved successful, were users happy with it? Had staff perceived a difference? This update was provided by Andrew Cavanagh Head of Finance, Performance & Asset Management

Summary

The SIAS has been a success and continues to build its effectiveness. Indications from NHDC staff being audited show a high satisfaction rating, continuing the standards within NHDC prior to transfer, and more detail is provided below.

Background

SIAS came into being on 1st July 2011, operating across six Hertfordshire councils.

Due to the larger overall service now available, SIAS have been able to build in-house provision for specialist audit work in the following fields:

- IT Audit
- Contract/Procurement Audit
- Counter Fraud Services
- Governance
- Risk Management

A number of these areas previously had to be bought in by some councils (for instance NHDC did not have specialist IT auditors).

The structure also continues to support training posts. At the time of transfer NHDC did employ one trainee, but there is no guarantee we would have been able to continue to do so for future staff.

Audit Assessment

At the completion of each audit, SIAS also request feedback via Post Audit Questionnaires. There have been ten completed audits in 2012/13 up to January 2013 and all lead auditees have responded.

The Questionnaires have several categories that are scored out of 5:

- Audit Planning scored 4.25 on average (4.1 to 4.4)
- Fieldwork scored 4.25 on average (4.1 to 4.5)
- Audit reporting 4.6 on average (4.4 to 4.8)
- **Overall rating 4.3**

The ratings given above would indicate that the SIAS has been successful. In terms of whether users were happy, it should be noted that the NHDC Internal Audit team achieved high approval ratings prior to transfer and the key measure for us is whether that has been maintained in the new service. Again the ratings above would indicate that a high approval rating has been maintained.

Learning Points

Some feedback has been provided regarding audits undertaken by PriceWaterhouse Coopers, on behalf of SIAS, that largely reflects that PWC are still in the process of adapting their approach to align with the way SIAS interacts with NHDC, taking account of the Council's overall work pressures and the need therefore to arrange audit meetings sufficiently in advance.

Useful comments have also been made requesting that auditors clarify audit aims and objectives at the outset of an audit to **all** those who will be asked to contribute. This also requires input from NHDC managers as often audit topics will run across several areas of responsibility.