

AUDIT & GOVERNANCE COMMITTEE – 20 APRIL 2016

REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT 2015/16

Report by the Monitoring Officer

INTRODUCTION

1. Each year the Monitoring Officer undertakes a survey of senior managers about the effectiveness of Internal Audit at Oxfordshire County Council. There is no longer a statutory requirement for a formal annual review of the effectiveness of Internal Audit, however this Committee last year agreed that the Monitoring Officer should continue to undertake this survey and report its outcomes to the Committee.
2. This report summarises the responses to the survey. In short, the survey of the extended County Council Management Team reveals a positive picture of the effectiveness of Internal Audit during the year 2015/16.

Annual Survey

3. Questionnaires were sent to the County Council's extended senior management team. This resulted in responses 29 responses (compared to 26 last year).
4. A full breakdown of the results is attached as an **Annex** to this report. The first part of the survey asked a series of questions to which respondents were invited to provide a rating in answer (from strongly agree through neutral to strongly disagree).
5. Overall the results are very favourable. Three core questions demonstrated a strong level of satisfaction about the nature and effectiveness of the service albeit that the positive results were slightly down on the previous year:
 - **93%** of respondents agreed or strongly agreed that the Service was **proactive in giving adequate information** about its role/purpose (this is an encouraging improvement on last year's figure of 81% last year, and also exceeds by 1% the figure for 2013/14). No one disagreed.
 - **73%** agreed or strongly agreed that the Service was **independent** (this was 77% last year and so reflects a marginal decrease). No one disagreed.
 - **83%** agreed or strongly agreed that the Service **consulted on key risks or critical systems** in their area (an increase from 77% last year). No one disagreed.

- **71%** agreed or strongly agreed that the Service was effective in delivering **improvements to the control environment**. (73% last year). No one disagreed.
6. This year, the survey included a question about respondents' awareness (or otherwise) about the accountability framework, from services to elected members:
- **90%** agreed or strongly agreed that they were aware that Internal Audit reported into the Audit Working Group and Audit & Governance Committee and that officers could be requested to attend meetings of both.
7. The survey then asked respondents to **rate** the overall level of service – with 93% of respondents considering the service to be 'good to excellent'.
8. Dispensing with previous' years questions as to what the service should start, stop or continue doing, the survey asked two open-ended questions seeking views on 'high value activity' and 'instances of concern'. The responses to both of these are included in the Annex.

CONCLUSION

9. There were no issue as regards the integrity, or capability, of any of the officers of Internal Audit; the comments continue to reflect that the service is well-regarded.
10. It is encouraging that respondents considered themselves to be aware of the proactive information from Internal Audit. Awareness of the governance regime, and Internal Audit's connection to it, was also positive.

RECOMMENDATION

11. **The Committee is RECOMMENDED to note and comment upon the report.**

NICK GRAHAM

Monitoring Officer and Chief Legal Officer

Contact officer: Glenn Watson, 01865 815270.

April 2016

Review of the Effectiveness of Internal Audit 2015/16

29 responses were received to the **survey**. This summary shows answers to the 'ratings' questions and also to the 'comment' questions.

Summary of Results

A. Ratings questions

Detailed breakdown for ***'I've been given adequate information about the role and purpose of Internal Audit.'***

Option	Results	Count
Strongly Agree	29%	(8)
Agree	64%	(18)
Neutral	7%	(2)
Disagree	0%	(0)
Strongly Disagree	0%	(0)

Detailed breakdown for ***'I am consulted by Internal Audit on the key risks and critical systems in my area.'***

Option	Results	Count
Strongly Agree	31%	(9)
Agree	52%	(15)
Neutral	17%	(5)
Disagree	0%	(0)
Strongly Disagree	0%	(0)

Detailed breakdown for ***'I am satisfied that Internal Audit is independent.'***

Option	Results	Count
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Strongly Agree	21% (6)
Agree	52% (15)
Neutral	28% (8)
Disagree	0% (0)
Strongly Disagree	0% (0)

Detailed breakdown for ***'I am given an opportunity to comment on Internal Audit's work plans.'***

Option	Results Count
Strongly Agree	28% (8)
Agree	38% (11)
Neutral	17% (5)
Disagree	17% (5)
Strongly Disagree	0% (0)

Detailed breakdown for ***'I can discuss the relevance of the planned audit activity throughout the year, and I have the opportunity to request other areas to be looked at where assurance is required.'***

Option	Results Count
Strongly Agree	34% (10)
Agree	45% (13)
Neutral	17% (5)
Disagree	3% (1)
Strongly Disagree	0% (0)

Detailed breakdown for ***'On individual audit assignments, where appropriate, I have an opportunity to provide input to the planning of Internal Audit work.'***

Option	Results	Count
Strongly Agree	34%	(10)
Agree	48%	(14)
Neutral	17%	(5)
Disagree	0%	(0)
Strongly Disagree	0%	(0)

Detailed breakdown for ***'Internal Audit reports are timely, practical and support managers in the management of their key risks.'***

Option	Results	Count
Strongly Agree	21%	(6)
Agree	48%	(14)
Neutral	28%	(8)
Disagree	3%	(1)
Strongly Disagree	0%	(0)

Detailed breakdown for ***'Internal Audit is effective in delivering improvements to the control environment.'***

Option	Results	Count
Strongly Agree	21%	(6)
Agree	50%	(14)
Neutral	29%	(8)
Disagree	0%	(0)
Strongly Disagree	0%	(0)

Detailed breakdown for ***'I am aware that Internal Audit reports are reported to the Audit Working Group and Audit & Governance Committee and that I may be obliged to attend as appropriate'***

Option	Results Count
Strongly Agree	52% (15)
Agree	38% (11)
Neutral	7% (2)
Disagree	3% (1)
Strongly Disagree	0% (0)

Please rate your view of the overall performance of Internal Audit in your experience during 2015/16.

1 being 'poor' and 10 being 'excellent'. 1 2 3 4 5 6 7 **X** 8 9 10

B. Comments

(i) Indicate any instances of high value activity that you experienced with Internal Audit during 2015/16

- Useful input into improving the Integrated Transport Hub compliance with improving safeguarding of cyp/vulnerable adults on commissioned transport
- Strong focus and follow-through on safeguarding in transport services including the engagement of CCMT, E&E and SCS.
- Provision of Risk Training and support with Fraud issues
- Investigation into concerns re missing monies
- Excellent interaction and service from Tessa Clayton with a recent audit. She is very perceptive and a great auditor who gets to the crux of any issues.
- Hampshire IBC issues
- Support for internal communications audit was very helpful

- Review of ITU.

(ii) Indicate any instances of concern that you experienced that might help us improve the effectiveness of Internal Audit.

- Audits took too much of some Tier 3 managers' time given other operational and strategic workload pressures... Belatedly I understood that this auditor was undertaking this exercise with all Tier 3 managers in CEF to update the corporate risk register...
- Not sure if the overall approach really looks at the strategic risks to the service or the council, as it generally seems to look at one area or lower level process.