

Brighton & Hove City Council

Audit & Standards Committee

Agenda Item 37

Subject: Independent External Assessment of Orbis Internal Audit

Date of meeting: 24th January 2023

Report of: Executive Director, Governance, People & Resources

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

1.1 The purpose of this report is to provide Members with the report and findings from the external review, completed by the Chartered Institute of Internal Auditors, on the Orbis Internal Audit service.

2. Recommendations

2.1 That the Committee notes the findings from the external review report, including those areas identified where opportunities for further improvement may exist for the future.

3. Context and background information

3.1 Earlier this year the Audit and Standards Committee approved the appointment of the Chartered Institute of Internal Auditors (CIIA) to carry out an independent assessment of Orbis Internal Audit against Public Sector Internal Audit Standards (PSIAS). These standards require such an assessment to be undertaken at least once every five years, with the scope including assessment of compliance, benchmarking against best practice and assessment of Internal Audit's profile and impact within client organisations.

3.2 The review was completed during Autumn 2022 and incorporated a full validation of the service's own comprehensive self-assessment, interviews with key stakeholders from across all the Orbis partner councils and discussions with Internal Audit team members. A copy of the assessor's full report is attached as Appendix 1, with the key headlines summarised below.

3.3 It is pleasing to report that Orbis Internal Audit have been assessed as achieving the highest level of conformance available against professional standards with no areas of non-compliance identified, and therefore no formal recommendations for improvement arising. In summary the service was assessed as:

- **Excellent** in:
Reflection of the Standards
Focus on performance, risk and adding value
- **Good** in:
Operating with efficiency
Quality Assurance and Improvement Programme
- **Satisfactory** in:
Coordinating and maximising assurance

3.4 In order to provide some further context to this outcome, of the nineteen assessments carried out by the CIIA in 2021/22 (covering both public and private sectors) only two others were assessed as 'Excellent' against the standard. In summarising their findings, the assessor commented that Orbis Internal Audit:

'are an established internal audit service, highly valued by the key stakeholders we spoke to in this EQA review;'

'team members have diverse professional backgrounds, qualifications, experience and skills, making them a flexible and effective service;'

'can tackle a wide range of assurance and investigatory challenges and there is considerable ongoing investment in learning, development and upskilling;'

'Key stakeholders are very confident in their competence, organisational knowledge, plans and reporting. Individual comments were very supportive, with no material areas for improvement identified'.

3.5 As explained above, in conducting this review the assessors undertook interviews with a wide range of stakeholders from across the Orbis partner authorities and external clients, which included Chief Executives, Chief Officers/ Executive Directors, Chief Finance Officers and Chairs of audit committees. It is extremely pleasing to report that the feedback received was overwhelmingly positive with high degrees of customer satisfaction throughout. Summaries of this feedback are provided from page 14 within the report attached as Appendix 1.

3.6 Whilst no formal recommendations in relation to the Standards were raised, the assessor did take the opportunity to highlight some areas which could support the future development of the service. These have been summarised in Appendix 2 to this report, along with a response and commentary in relation to each area.

4. **Analysis and consideration of alternative options**

4.1 Not Applicable

5. Community engagement and consultation

5.1 The assessment included engagement with officers and members across the Orbis partnership.

6. Conclusion

6.1 It is pleasing to report that Orbis Internal Audit have been assessed as achieving the highest level of conformance available against professional standards with no areas of non-compliance identified.

7. Financial implications

7.1 There are no direct financial implications arising from the recommendation of this report.

Name of finance officer consulted: James Hengeveld Date consulted (05/01/23):

8. Legal implications

8.1 This Committee has delegated responsibility for the audit functions of the Council. As a result, it is the correct body to receive the external Report reviewing the Service which carries out the Council's Internal Audit functions, and to note the reassurance that provides about the Service's performance.

Name of lawyer consulted: Victoria Simpson Date consulted: 3.1.23

9. Equalities implications

9.1 There are no direct equalities implications

10. Sustainability implications

10.1 There are no sustainability implications

11. Other Implications

11.1 There are no other implications

Supporting Documentation

Appendices

1. External Assessment Final Report (Appendix A)
2. Orbis Internal Audit Response

