Chartered Institute of
Internal Auditors

REPORT

EQA

Setting the standards **together**

External Quality Assessment (EQA)

A report for Derbyshire Audit Services

DERBYSHIRE
County Council

Prepared by John Chesshire, approved reviewer for
The Chartered Institute of Internal Auditors

Contents

EQA

Setting the standards *together*

External Quality Assessment
(EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

Chartered Institute of
Internal Auditors

1

Executive summary

Chartered Institute of Internal Auditors

1.1 Background and Scope

The Derbyshire County Council Internal Audit Service (Audit Services) currently comprises 14 inhouse team members totalling 12.2 FTE. The function consists of the Assistant Director of Finance (Audit) - the Chief Audit Executive (CAE) - two Audit Managers, six Principal Auditors, four Senior Auditors, two Auditors, and an Audit Clerk. The team currently have two vacancies - one Internal Auditor and the Audit Clerk. IT audit is currently supplied by in-house team members, who have relevant qualifications and experience. The CAE reports functionally to the Audit Committee and administratively to the Director of Finance and ICT. They have direct access to the Managing Director (Chief Executive-equivalent).

Audit Services previously had an external quality assessment (EQA) in October 2019, undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA). We are delighted that Audit Services have commissioned us to undertake this EQA.

Our review included a full validation of the Internal Audit Service's own self assessment against the Public Sector Internal Audit Standards (PSIAS) and International Professional Practices Framework (IPPF), interviews with key stakeholders across the Council, discussions with Internal Audit Service team members, as well as a stakeholder survey that we issued to 37 managers. We received 18 survey responses.

We conducted this EQA in a hybrid format - both remotely and in-person in November and December 2023.

1.2 Key Achievements

Derbyshire County Council have an established Audit Services function, valued by the key stakeholders we spoke to during this EQA review and mirrored in most of the associated survey feedback.

The governance framework over the Internal Audit service is mature, with well-established Audit Committee oversight, regular meetings, communications, reporting and performance monitoring.

A CAE - with an extensive internal audit background - leads the Internal Audit Service, supported by two experienced Audit Managers and a competent and longstanding team. The CAE has been in post since the summer. Stakeholders view the CAE as an appropriate leader, who has begun to make a positive difference to the service since his arrival.

Audit Services undertake a range of diverse assurance and advisory engagements. These include coverage of emerging areas of risk and control relevant to the local authority sector.

We received positive responses to our questions about the wider team and its services from those we interviewed and surveyed. Key stakeholders felt confidence in the way the Audit Services had established effective working relations, their approach to planning, and the way in which the team increasingly engages with its clients throughout the engagement process.

Audit Services develop and deliver an annual risk-based audit plan for the Council. The CAE aims to make this a more agile plan in its next iteration. Key stakeholders felt clearly engaged and appropriately involved in the design of the risk-based plan. The CAE and their senior colleagues actively monitor team performance and have implemented appropriate engagement-level quality assurance checks.

1

Executive summary

Chartered Institute of Internal Auditors

The team have recently begun to improve and streamline their engagement reporting and have begun to evolve their data analytics capability. We believe that the team's supporting operational, engagement-level procedures, documentation and associated templates are fit for purpose, but will need an update and refresh when the new Global Internal Audit Standards are introduced.

The CAE is keen to incrementally enhance and improve aspects of Audit Services strategy, methodology and approach. We support this, and key stakeholders have well-received the initial changes that he has introduced, most notably over engagement terms of reference (TORs), communicating results and follow up and monitoring progress associated with outstanding internal audit recommendations. The new Audit Management Software package - K10 Vision - will also help facilitate further change and improvement.

1.3 EQA Assessment Conclusion

We are pleased to report that the Internal Audit Service conforms with most of the Standards, as well as the Definition, Core Principles, and the Code of Ethics, which form the mandatory elements of the PSIAS and the Institute of Internal Auditors' IPPF, the globally recognised standard of quality in Internal Auditing.

To summarise, we are pleased to report that Audit Services are good in their:

• Reflection of the Standards

We believe that Audit Services are satisfactory in their:

• Focus on performance, risk and adding value

• Operating with efficiency

• Quality Assurance and Improvement Programme

Finally, like many Internal Audit teams, we consider that Audit Services needs improvement in their:

• Coordinating and maximising assurance

The need to consider how best to rely on and coordinate with other assurance providers remains an emerging area of Internal Audit, and assurance practice, as does assurance mapping. It depends as much on the nature and effectiveness of the other assurance providers as it does on Internal Audit.

In addition to the conformance recommendations, there is scope for improvement in several other areas as summarised in Section 3.2 below. It will be appropriate for the function to say in reports and other literature, once it has addressed the issues raised, that it "conforms to the IIA's professional standards".

Our overall opinion is that the Internal Audit team "generally conforms" to the IIA Standards (See Appendix A1 for our Grading definitions) (See Section 2 for more detail).

1
Executive summary

EQA
Setting the standards together

External Quality Assessment (EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

Chartered Institute of Internal Auditors

1.4 SWOT Analysis

Strengths What works well	Weaknesses What could be done better
• Audit Services management are experienced, work well together and key stakeholders respect - and have confidence - in their competence and capabilities • The team is nearly at full complement and is also experienced • The risk-based annual plan covers relevant areas of risk and is developed through effective stakeholder engagement • Stakeholders value the team's professionalism, communications, and engagement reporting. Survey feedback is positive • The engagement report template has recently been reviewed and is professional and more concise than the previous iteration • The team undertake comprehensive investigations as required • More succinct, focused engagement TORs that are shared and developed with management has begun to enhance relations • Improvements to follow up processes have been welcomed by stakeholders and have enhanced efficiency and transparency	• Further development of the team's data analytics capability is planned but is in its infancy • Formal assurance mapping, coordination, and reliance - where appropriate - should be progressed and finalised • Further emphasis on organisational change initiatives, as well as other topical and emerging areas of governance would be beneficial, both through assurance and advisory engagements • Speed of delivery could be enhanced in some instances. Occasionally timely work is valued more by stakeholders, rather than completeness
Opportunities What could deliver further value	**Threats** What could stand in your way
• Developing a team skills strategy could assist with identifying future needs and priorities, and developing solutions • A strategy covering data analytics and IT auditing, integrated with the results of the QAIP and team development needs, could usefully drive improvement priorities • When vacant posts appear in the audit structure this could allow the CAE to replace a vacant post with a budget for external subject matter expertise • With the launch of the new Global Internal Audit Standards in January 2024, the team could usefully begin to revisit key aspects of their methodology and working practices to ensure future conformance • Incremental review and modernisation of aspects of the function's strategy and methodology are likely to add value	• Failure to retain experienced Internal Audit staff could threaten service resilience and delivery • Emerging risks and increasing complexity in the external environment could threaten the team's ability to deliver insight and add value in specialist service areas • Budget or staff cuts could impact service delivery and threaten the CAE's ability to deliver an effective service and annual opinion

1

Executive summary

Setting the standards **together**

External Quality Assessment (EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

Chartered Institute of Internal Auditors

1.5 Conformance Opinion

The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards.

There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles.

It is our view that the Internal Audit Service conforms to 58 of the 64 relevant principles, with partial conformance on five principles. One of the remaining principles were not relevant to Audit Services.

This is summarised in the table below.

Summary of conformance	Standards	Generally conforms	Partially conforms	Does not conform	Not relevant	Total
Definition of IA and Code of Ethics	Rules of conduct	12				**12**
Purpose	1000 - 1130	6	2			**8**
Proficiency and Due Professional Care (People)	1200 - 1230	4				**4**
Quality Assurance and Improvement Programme	1300 - 1322	5	2			**7**
Managing the Internal Audit Activity	2000 - 2130	10	1		1	**12**
Performance and Delivery	2200 - 2600	21				**21**
Total		**58**	**5**		**1**[1]	**64**

---

[1] We have marked one principle as 'not applicable' as it does not apply to the Derbyshire County Council Internal Audit Service (Performance Standard 2070).

1

Executive summary

External Quality Assessment (EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

1.6 Further Improvement Opportunities

In addition to recommendations to improve conformance, there is scope for improvement in areas as summarised below:

Enhancing Internal Audit objectivity

o   The CAE may need to further consider how (else) to mitigate against actual - or perceived - risks to objectivity, when Audit Services team members have worked for the organisation for many years.

Enhancing Internal Audit proficiency, due professional care and policies and procedures

o   Audit Services make some use of data analytics to provide meaningful assurance over the large volumes of organisational transactional data. Further implementation and development of the function's approach here would be beneficial. To assist this, the CAE could usefully develop a Data Analytics Strategy and refreshed IT Audit Strategy for Audit Services.

o   Additional focus on gaining and using general IT audit and data analytics skills and expertise could be useful and help Audit Services to deliver valuable insight.

o   The CAE could consider the possibility of making a case in the future for a budget for co-sourced support. This could be employed for bringing in subject matter experts in when required for specialist work. Most in-house internal audit teams maintain a budget for such eventualities.

o   The CAE could usefully develop a Skills Needs Assessment for the function, focused on prioritised areas of internal audit skills that need enhancement across Audit Services. This could be linked to the IIA Internal Audit Competency Framework.

o   The CAE should directly reference the Standards in relevant sections of the Audit Service's Audit Manual, to clearly demonstrate why particularly activities, actions and steps are required. This will be more beneficial for new entrants who join the team in the future.

Managing the Internal Audit Activity

o   With the anticipated arrival of the Global Internal Audit Standards in January 2024, Audit Services could usefully share responsibilities for taking forward a review of key elements of the function, and its services, to help future-proof working practices. Key areas are likely to include updating the Internal Audit Charter, refreshing the methodology, upskilling the wider team in the data analytics/IT space(s), considering the use of AI and other technological developments in the team's future working practices, and further updating the approach and format to communicating results at both engagement and Audit Committee level.

o   The CAE should consider empowering Principal Auditors to under a greater range of audit management duties, if necessary, thereby freeing up Audit Manager time to further assist with client engagement, as well as Audit Services change, improvement, and transformation initiatives.

Planning

o   Many Internal Audit teams have moved away from traditional annual planning, to a more frequent, agile and rolling programme of work. The CAE could usefull engage with key stakeholders to consider how best to implement a more modern, risk-based approach to planning.

Communicating Results

o   Key stakeholders have welcomed the Audit Services' refreshed report template. The CAE is keen to further improve this too, and we support the continued evolution of the report template to better enable more efficient and timely communication of results.

1

Executive summary

External Quality Assessment (EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

1.7 Acknowledgement

We would like to thank Audit Services, for their time, assistance and support during this review, and all of those who took part in the review, for their cooperation, together with their open and honest views.

2

Recommendations to improve conformance to the Standards

2.1 Area for Improvement [Standards 1000 and 1112]

Standard 1000, Purpose, Authority and Responsibility, and Standard 1112, Chief Audit Executive Roles Beyond Internal Auditing

The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing). The CAE must periodically review the internal audit charter and present it to senior management and the board for approval.

The internal audit charter is lengthy and comprehensive, but could be modernised and simplified. It should be updated to reflect the new Global Internal Audit Standards when they are published in January 2024. Furthermore, it should reference the CAE's non-internal audit roles.

	Recommendations	Response and action date
1	The CAE should describe the safeguards to limit impairments where the CAE undertakes non-audit activities (namely Insurance and Risk Management) and include these in a revised internal audit charter.	Agreed. This will be picked up as part of the update of the internal audit charter that will take place in 2024 in line with the release of the new global internal audit standards. May 2024

2.2 Area for Improvement [Standards 1300 and 1310]

Standard 1300, Quality Assurance and Improvement Programme, and Standard 1310, Requirements of the Quality Assurance and Improvement Programme

The CAE must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The quality assurance and improvement program must include both internal and external assessments.

The CAE could usefully strive to further generate a culture of continuous improvement. This could include creating, reviewing, and/or potentially:

- Introducing a Vision, Purpose Statement, and Audit Strategy for the function, to support or replace the existing Mission. There will be a Purpose statement as Domain I of the new Standards, so perhaps this could usefully be included.
- Revisiting the range of Audit Service KPIs, to focus more on outputs and outcomes.
- Enhancing the existing Quality Assurance and Improvement Programme to capture all key enhancement actions.
- Better integrating inputs from across the various parts of Audit Services function, including skills needs and performance management, into the above.

2

Recommendations to improve conformance to the Standards

External Quality Assessment (EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

Chartered Institute of Internal Auditors

	Recommendation	Response and action date
2	The CAE should develop a proportionate, formal approach to better articulate the function's Quality Assurance and Improvement Programme and to drive a culture of continuous improvement across the function	Agreed. An Audit Strategy that maps out the Quality, Assurance and Improvement Programme for the service will be developed to guide the improvements of the audit service over the short, medium and long term. May 2024

2.3 Area for Improvement [Standard 2050]

Standard 2050, Coordination and Reliance

The chief audit executive should share information, coordinate activities and consider formal reliance upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts.

While some reliance is on placed on the work of some external assurance providers, and the CAE is exploring opprtunities to place reliance and better coordinate activity with second-line assurance providers, this could usefully be formalised and the existing work on assurance mapping should be finalised, to add further value.

	Recommendation	Response and action date
3	The CAE should finalise a proportionate, formal approach to assurance mapping, coordination and - where appropriate - reliance, to enhance the function's risk-based planning, delivery and the effectiveness of assurance provided to key stakeholders.	Agreed. A new approach to Assurance Mapping is already in development, it will be trialled initially in Q4 of 23-24 before a full roll out during 2024-2025.

3
Supporting continuous improvement

The Chartered Institute regards conformance to the IPPF as the foundation for effective Internal Audit practice. However, our EQA reviews also seek feedback from key stakeholders and we benchmark each function against the diversity of professional practice seen on our EQA reviews and other interviews with chief audit executives/heads of internal audit, summarised in an Internal Audit maturity matrix.

We then interpret our findings into suggestions for further development based upon the wide range of guidance published by the Chartered IIA.

It is our aim to offer advice and a degree of challenge to help internal audit functions continue their journey towards best practice and excellence.

In the following pages we present this advice in two formats:

- A matrix describing the key criteria of effective Internal Audit, highlighting the level of maturity the Internal Audit function has achieved and the potential for further development, recognising that effective Internal Audit goes further than purely conformance with Internal Auditing standards. *(See 3.1)*
- A series of improvement opportunities and suggestions which the internal audit team could use as a basis for an action plan. *(See 3.2)*

Chartered Institute of Internal Auditors

3

Supporting continuous improvement

EQA
Setting the standards together

External Quality Assessment (EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

Chartered Institute of Internal Auditors

3.1 Internal Audit matrix

Assessment levels		IIA Standards	Focus on performance, risk and adding value.	Coordination and maximising assurance	Operating with efficiency	Quality Assurance and Improvement Programme
	Excellent	Outstanding reflection of the IIA standards, in terms of logic, flow and spirit. Generally Conforms in all areas.	IA alignment to the organisation's objectives risks and change. IA has a high profile, is listened to, and is respected for its assessment, advice, and insight.	IA is fully independent and is recognised by all as a 3rd line. The work of assurance providers is coordinated with IA reviewing reliability of.	Assignments are project managed to time and budget using tools/techniques for delivery. IA reports are clear, concise, and produced promptly.	Ongoing efforts by IA team to enhance quality through continuous improvement. QA&IP plan is shared with and approved by AC.
	Good	The IIA Standards are fully integrated into the methodology – mainly Generally Conforms.	Clear links between IA engagement objectives to risks and critical success factors with some acknowledgement of the value-added dimension.	Coordination is planned at a high level around key risks. IA has established formal relationships with regular review of reliability.	Audit engagements are controlled and reviewed while in progress. Reporting is refined regularly linking opinions to key risks.	Quality is regarded highly, includes lessons learnt, scorecard measures and customer feedback with results shared with AC.
	Satisfactory	Most of the IIA Standards are found in the methodology with scope to increase conformance from Partially to Generally Conform in some areas.	Methodology requires the purpose of IA engagements to be linked to objectives and risks. IA provides advice and is involved in change, but criteria and role require clarity.	The 3 lines model is regarded as important. Planning of coordination is active, and IA has developed better working relationships with some review of reliability.	Methodology recognises the need to manage engagement efficiency and timeliness, but further consistency is needed. Reports are informative and valued.	Clear evidence of timely QA in assignments with learning points and coaching. Customer feedback is evident. Wider QA&IP may need formalising.
	Needs improvement	Gaps in the methodology with a combination of Non-conformances and Partial Conformances to the IIA Standards.	Some connections to the organisation's objectives and risks but IA engagements are mainly cyclical and prone to change at management request.	The need to coordinate assurance is recognised but progress is slow. Some informal coordination occurs but reviewing reliability may be resisted.	Multiple guides that are slightly out of date and form a consistent and coherent whole. Engagement go beyond deadline and a number are deferred.	QC not consistently embedded across the function. QA is limited / late or does not address root causes.
	Poor	No reference to the IIA Standards with significant levels of non-conformance.	No relationship between IA engagements and the organisation's objectives, risks, and performance. Many audits are ad hoc.	IA performs its role in an isolated way. There is a feeling of audit overload with confusion about what various auditors do.	Lack of a defined methodology with inconsistent results. Reports are usually late with little perceived value.	No evidence of ownership of quality by the IA team.

Note: The maturity level of the function will depend on several factors, including the maturity and the risk appetite of the organisation. Consequently, not all audit functions will aspire to being "Excellent" across the board.

3

Supporting continuous improvement

3.2 Further improvement opportunities

This section of the report details additional feedback and observations which, if addressed, could further strengthen the impact of Internal Audit. These observations are not conformance points but support Internal Audit's ongoing development.

These suggestions do not require a response; they will not form part of any subsequent follow up if undertaken.

Opportunity A: Standard 1100 Independence and Objectivity, and Standard 1120 Individual Objectivity

	Improvement opportunity
1	The CAE may need to further consider how (else) to mitigate against actual - or perceived - risks to objectivity, when Audit Services team members have worked for the organisation for many years.

Opportunity B: Standard 1210 Proficiency

	Improvement opportunity
2	Audit Services make some use of data analytics to provide meaningful assurance over the large volumes of organisational transactional data. Further implementation and development of the function's approach here would be beneficial. To assist this, the CAE could usefully develop a Data Analytics Strategy and refreshed IT Audit Strategy for Audit Services.
3	Additional focus on gaining and using general IT audit and data analytics skills and expertise could be useful and help Audit Services to deliver valuable insight.
4	The CAE could consider the possibility of replacing the vacant Audit Clerk position with a budget for co-sourced support. This could be employed for bringing in subject matter experts when required for specialist work. Most in-house internal audit teams maintain a budget for such eventualities.

Opportunity C: Standard 1220 Due Professional Care

	Improvement opportunity
5	The CAE should directly reference the Standards in relevant sections of the Audit Service's Audit Manual, to clearly demonstrate why particularly activities, actions and steps are required. This will be more beneficial for new entrants who join the team in the future.

3

Supporting continuous improvement

External Quality Assessment (EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

Opportunity D: Standard 1230 Continuing Professional Development

	Improvement opportunity
6	The CAE could usefully develop a Skills Needs Assessment for the function, focused on prioritised areas of internal audit skills that need enhancement across Audit Services. This could usefully be mapped to the IIA's Internal Audit Competency Framework.

Opportunity E: Standard 2000 Managing the Internal Audit Activity

	Improvement opportunity
7	With the anticipated arrival of the Global Internal Audit Standards in January 2024, Audit Services could usefully share responsibilities for taking forward a review of key elements of the function, and its services, to help future-proof working practices. Key areas are likely to include updating the Internal Audit Charter, refreshing the methodology, upskilling the wider team in the data analytics/IT space(s), considering the use of AI and other technological developments in the team's future working practices, and further updating the approach and format to communicating results.
8	The CAE should consider empowering Principal Auditors to manage some engagements, thereby freeing up Audit Manager time to assist with client engagement, and Audit Services change, improvement, and transformation initiatives.

Opportunity F: Standard 2010 Planning

	Improvement opportunity
9	Many Internal Audit functions have moved away from traditional annual planning, to a more frequent, agile and rolling programme of work. The CAE could usefully engage with key stakeholders to consider how best to implement a more modern, risk-based approach to planning.

Opportunity G: Standard 2400 Communicating Results

	Improvement opportunity
10	Key stakeholders have welcomed the Audit Services' refreshed report template. The CAE is keen to further improve this too, and we support the continued evolution of the report template to better enable more efficient and timely communication of results.

4

Appendix

EQA
Setting the standards together

External Quality Assessment (EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

Chartered Institute of
Internal Auditors

A1 Global Grading Definitions

We have used the following rating scale in this report:

Generally Conforms (GC)	The reviewer has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must not represent situations where the activity has not implemented the Standards or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, successful practice, etc.
Partially Conforms (PC)	The reviewer has concluded that the activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section, or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the activity and may result in recommendations to senior management or the board of the organisation.
Does Not Conform (DNC)	The reviewer has concluded that the activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many/all of the objectives of the individual Standard or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. They may also represent significant opportunities for improvement, including actions by senior management or the board.

Often, the most difficult evaluation is the distinction between general and partial. It is a judgement call keeping in mind the definition of general conformance above. The reviewer must determine if basic conformance exists. The existence of opportunities for improvement, better alternatives, or other successful practices does not reduce a "generally conforms" rating.

4

Appendix

External Quality Assessment
(EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

A2 Stakeholder Interviews and feedback

We interviewed the following individuals as part of the review.

Stakeholders	Title /Position
Emma Alexander	Managing Director
Helen Barrington	Director of Democratic and Legal Services
Mark Kenyon	Director of Finance and ICT
Cllr Gary Musson	Chair of the Audit Committee
Joe O'Sullivan	Executive Director of Corporate Services and Transformation
Internal Audit Function	**Title /Position**
Daniel Ashcroft	Audit Manager
Paul Davis	Principal Auditor
Ben Jordan	Auditor
Mark Lunn	Assistant Director of Finance (Audit)
Phil Spencer	Audit Manager
Melanie Taylor	Principal Auditor

4

Appendix

EQA

Setting the standards _together_

External Quality Assessment (EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

Chartered Institute of
Internal Auditors

Working with the business

"The service is very approachable in respect of sound boarding emerging risks or concerns. They have a good understanding of business needs and appreciate the balance of being able to manage risk without the need to eliminate it." Stakeholder survey feedback

"Audit Services need to raise their profile a bit more and demonstrate that it is a key service." Stakeholder interview

"Personally, I have found all officers in IA accommodating and willing to listen to feedback, show an interest in learning about our activity and services which can in turn help influence the direction of the audit to achieve better outcomes and benefits." Stakeholder survey feedback

"Engagement has improved over the last few years. Some members of audit are far more approachable and skilled/knowledgeable than others." Stakeholder survey feedback

"Internal Audit have occasionally been a little too trusting. They need to see what the evidence is telling them and avoid any preconceptions." Stakeholder interview

"They have a greater understanding of risk and the resource burdens faced by managers and have moved forward with a pragmatic focus and less risk adverse in certain insignificant areas and have become more customer focussed with regard to the service areas deliverables in a changing and uncertain environment. Overall, a vast and valued improvement with good ambitions for the future - long may it continue." Stakeholder survey feedback

Communication

"All staff are approachable and friendly with differing degrees of knowledge of the Council and organisation. Developing expertise and knowledge in specific areas would aid a more robust audit process, however, recognise that this may not always be possible due to available resources." Stakeholder survey feedback

"I want clear reports that I can understand, pick up and do things with and Audit Services give me these." Stakeholder interview

"I feel IA are approachable if I need to have a discussion about something - they can provide helpful insight about governance and process." Stakeholder survey feedback

"Improvements have already been made to format of internal audit reports and the introduction of more robust monitoring around the completion of audit actions." Stakeholder survey feedback

"Over the past few years internal audit have developed and expanded their thoughts on how they can better support and communicate with the wider business and managers. they have much improved the reports format and relevant content which makes them much easier to comprehend and complete leading to better engagement and interaction from managers." Stakeholder survey feedback

4
Appendix

EQA

Setting the standards together

External Quality Assessment (EQA)

A report for:
Derbyshire Audit Service

15 December 2023

www.iia.org.uk/eqa

Chartered Institute of Internal Auditors

"Internal audit needs to sell itself a bit more, to highlight its value as a key service." Stakeholder interview

"I feel that in the last few years there have been significant improvements. Audit reports are much more of a management tool, as they now include details of good practice and overall are easier to read and understand." Stakeholder survey feedback

Internal Audit plans and coverage

"The team do adjust the plan as necessary to take account of emerging concerns." Stakeholder interview

"Internal audit is staffed with very knowledgeable people with good relevant skills, including the ability to interact effectively with departments. In terms of areas for development, a more risk-based assessment on choosing areas for audit would be a positive step together with a greater acknowledgement during audits of impact (described by one previous auditor as the 'so what' factor)." Stakeholder survey feedback

"Internal Audit is very good but hasn't entirely moved with the times. The annual plan needs to be more flexible." Stakeholder interview

"I would welcome more deep dives by internal audit rather than some of the skims along the top of departmental activity." Stakeholder interview

Value

"I would like to see Audit Services involved in auditing change a bit more." Stakeholder interview

"Not moving quickly enough with the changing nature of or business - lacking sufficient ICT knowledge on cutting edge and industry standards we are working to (wards)." Stakeholder survey feedback

"A greater mix of deep dives and shorter pieces of work, whether assurance or advisory, would add greater value." Stakeholder interview

"We have had mixed experiences with colleagues from IA from excellent to very challenging. When IA works with us, the experience has been very positive, but on occasions the input has lacked insight and has been inappropriately challenging due to a lack of understanding." Stakeholder survey feedback

"They are a good, thorough and methodical internal audit service that could support the organisation a little more through its major transformation." Stakeholder interview

4

Appendix

External Quality Assessment
(EQA)

A report for:
Derbyshire Audit Service

15 December 2023
www.iia.org.uk/eqa

Chartered Institute of
Internal Auditors