

External Quality Assessment of Conformance to the Public Sector Internal Audit Standards

Mid Kent Audit Partnership

Final Report

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1. Introduction

- 1.1 Internal audit within the public sector in the United Kingdom is governed by the Public Sector Internal Audit Standards (PSIAS), which have been in place since 1st April 2013 (revised 2016 and 2017). All public sector internal audit services are required to measure how well they are conforming to the standards. This can be achieved through undertaking periodic self-assessments, external quality assessments, or a combination of both methods. However, the standards state that an external reviewer must undertake a full assessment or validate the internal audit service's own self-assessment at least once in a five year period.

2. Background

- 2.1 Mid Kent Audit is a four-way partnership formed between the Borough Councils of Ashford, Maidstone, Swale and Tunbridge Wells. They work to a unified audit approach and as one team delivering around 1,800 days per year of audit and assurance work across the four authorities. The partnership began in 2005 as a collaboration between Maidstone and Ashford with Swale and Tunbridge Wells joining in 2010.
- 2.2 Mid Kent Audit is part of Mid Kent Shared Services and is hosted by Maidstone Borough Council. They report to a management board made up of representatives from the four local authorities in the partnership. Partnership governance is documented in a collaboration agreement signed by all four authorities. However, we note that the current agreement is out of date. From an operational perspective, Mid Kent Audit reports directly to the executive teams and Audit Committees at their respective clients. These two bodies fulfil the roles of 'senior management' and 'the board', as defined by the Public Sector Internal Audit Standards.
- 2.3 Mid Kent Audit has been operating under PSIAS since its launch in 2013, and this is the third external quality assessment that they have commissioned, the previous ones being in 2014 with a revisit in 2015.
- 2.4 Mid Kent Audit has an audit manual in that is clear and easy to follow, and provides the auditors with a comprehensive guide to all aspects of performing an audit. The audit manual is embedded in the Pentana audit management system and is easy to access by the use of 'mouseover' functionality. Standard templates are used for the engagement working papers and testing schedules, engagement terms of references, action plans and audit reports. All of these documents are held in the engagement files in Mid Kent Audit's audit management application (Pentana). The Pentana application has been set up with extensive local modification to closely follow the PSIAS.
- 2.5 The Pentana application is also used for managing the engagements with all staff recording time spent on the assignments in the application. Supervision of the engagements takes place at every stage of the process and is recorded in Pentana.
- 2.6 Mid Kent Audit has a quality assurance process in place that feeds into its Quality Assurance and Improvement Programme (QAIP) although they acknowledge that there is scope to enhance their quality assurance processes. There are four main elements to this process. The first element is a review of the live engagement by the supervising officer. This is either a one stage or two-stage process, depending on the grade and experience of the auditor. The second element is a cold review of a sample of completed audits to identify the elements of the audit that went to plan; the elements that did not go as planned; and whether there are any lessons to be learnt for future reviews or for the auditor. The third element comprises a customer satisfaction questionnaire and survey, with the fourth element being an annual self-assessment of Mid Kent Audit's overall conformity with the PSIAS. All of the above processes are used to inform Mid Kent Audit's QAIP.

3. Validation Process

- 3.1 The self-assessment validation comprises a combination of desktop and on-site review and focuses on the key elements of the PSIAS self-assessment in the limited time available. The desktop period of the review focussed on determining the strengths and weaknesses of Mid Kent Audit, and formed the key lines of enquiry used during the on-site stage, in order that the validation review is timely and adds real value to the organisation. The key lines of enquiry assessed Mid Kent Audit against the four broad themes of Purpose and Positioning; Structure and Resources; Audit Execution; and Impact.
- 3,2 Mid Kent Audit provided a comprehensive range of documents that they used as evidence to support their self-assessment and these were available for examination prior to and during this validation review. These documents included the:-
- self-assessment against the standards;
 - quality assurance and improvement plan (QAIP);
 - evidence file to support the self-assessment;
 - sample audit charters for clients;
 - sample of annual reports and opinions;
 - sample of audit plans and strategies;
 - quality manual; and
 - progress and other reports to a sample of client Audit Committees.

All of the above documents were examined during the EQA.

- 3.3 The on-site stage of the validation process was carried out from the 24th to the 28th February 2020, and involved interviews with the key personnel from Mid Kent Audit, plus a sample of key stakeholders from Mid Kent Audit's customer base, made up of Finance Directors and chairs of Audit Committees. Overall, the feedback from the interviewees was positive with clients valuing the professional and objective way Mid Kent Audit delivered services.
- 3.4 A questionnaire was also sent to the other key stakeholders in advance of the on-site visit and the results analysed during the review. A summary of the survey results is shown at appendix A of the report. The reviewer also carried out an end-to-end review of a sample of audits to confirm his understanding of the audit process used by Mid Kent Audit and embedded in their Pentana audit management system during the on-site stage of the review.

4. Opinion

It is our opinion that Mid Kent Audit's self-assessment is accurate and as such we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.

The table below shows Mid Kent Audit's level of conformance to the individual standards assessed during this external quality assessment:-

Standard / Area Assessed	Level of Conformance
Mission Statement	Fully Conforms
Core principles	Fully Conforms
Code of ethics	Fully Conforms
Attribute standard 1000	Fully Conforms
Attribute standard 1100	Fully Conforms
Attribute standard 1200	Fully Conforms
Attribute standard 1300	Fully Conforms
Performance standard 2000	Fully Conforms
Performance standard 2100	Fully Conforms
Performance standard 2200	Fully Conforms
Performance standard 2300	Fully Conforms
Performance standard 2400	Fully Conforms
Performance standard 2500	Fully Conforms
Performance standard 2600	Fully Conforms

5. Areas of full conformance with the Public Sector Internal Audit Standards

5.1 Mission Statement and Definition of Internal Audit

The mission statement and definition of internal audit from the PSIAS are included in the audit charters for all of Mid Kent Audit's clients.

5.2 Core Principles for the Professional Practice of Internal Auditing

The Core Principles, taken as a whole, articulate an internal audit function's effectiveness, and provide a basis for considering the organisation's level of conformance with the Attribute and Performance standards of the PSIAS.

The clear indication from this EQA is that the Core Principles are embedded in the audit manual and the Pentana audit management application, and that Mid Kent Audit is a competent and professional internal audit partnership that conforms to all ten elements of the Core Principles.

5.3 Code of Ethics

The purpose of the Institute of Internal Auditors' Code of Ethics is to promote an ethical culture in the profession of internal auditing, and is necessary and appropriate for the profession, founded as it is on the trust placed in its objective assurance about risk management, control, and governance. The Code of Ethics provides guidance to internal auditors and in essence, it sets out the rules of conduct that describe behavioural norms expected of internal auditors and are

intended to guide their ethical conduct. The Code of Ethics applies to both individuals and the entities that provide internal auditing services.

The clear indication from this EQA is that Mid Kent Audit conforms to the Code of Ethics and this is embedded in their audit manual and the Pentana audit management application. It is part of their overarching culture and underpins the way Mid Kent Audit operates.

5.4 **Attribute Standard 1000 – Purpose, Authority and Responsibility**

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 internal audit charter must be reviewed regularly and presented to senior management and the audit panel for approval.

We reviewed the audit charters for a sample of Mid Kent Audit's clients and the processes used to present them to Audit Committees for approval and we are satisfied that the audit charters and current processes conform to attribute standard 1000 and the LGAN.

5.5 **Attribute Standard 1100 – Independence and Objectivity**

Standard 1100 states that the internal audit activity must be independent, and internal auditors must be objective in performing their work.

The need for independence and objectivity is covered in Mid Kent Audit's audit manual and is an integral part of their culture. The Service reports in its own name and directly to senior management and the Audit Committees at all of its clients. All employees sign a declaration of interest each year and declare any potential impairment to independence or objectivity for each audit they undertake.

We have reviewed Mid Kent Audit's audit manual and their quality assurance and improvement plan, together with their reporting lines and positioning in the organisations they work with.

We are satisfied that Mid Kent Audit conforms with attribute standard 1100 and the LGAN, although there are some opportunities to strengthen this and/or grow the business that we have set out in section 8 of this report.

5.6 **Attribute Standard 1200 – Proficiency and Due Professional Care**

Attribute standard 1200 requires Mid Kent Audit's engagements are performed with proficiency and due professional care, having regard to the skills and qualifications of the staff, and how they apply their knowledge in practice.

It is evident from this EQA that Mid Kent Audit has a professional and experienced, workforce who all either hold or are working towards obtaining, professional qualifications. The Head of the Mid Kent Audit Partnership holds a CCAB qualification and is also an Accredited Counter Fraud Specialist, while the Deputy Head holds the IIA and Institute of Risk Management qualifications

Mid Kent Audit has staff who are experienced in data analytics and they tend to do this by using the functionality available in MS Excel. They are not currently using any specialist data analytics applications.

It is evident from this review that Mid Kent Audit's employees perform their duties with due professional care. We are satisfied that Mid Kent Audit complies with attribute standard 1200 and the LGAN, although there are some opportunities to strengthen the services they provide to their clients and perhaps grow the business that we have set out in section 8 of this report.

5.7 **Attribute Standard 1300 – Quality Assurance and Improvement Programmes**

This standard requires the Head of the Mid Kent Audit Partnership to develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.

Mid Kent Audit has developed a robust and effective quality assurance process that ensures engagements are performed to a high standard within the available resources. It is effective and feeds into Mid Kent Audit's quality assurance and improvement programme. We have examined this process during the EQA and are satisfied that Mid Kent Audit conforms to attribute standard 1300 and the LGAN. There is one suggestion to enhance compliance with standard 1300 and this is set out in section 8 of this report.

5.8 **Performance Standard 2000 – Managing the Internal Audit Activity**

The remit of this standard is wide and requires the Head of Audit Partnership of Mid Kent Audit to manage the internal audit activity effectively to ensure it adds value to its clients. Value is added to a client and its stakeholders when internal audit considers their strategies, objectives, and risks; strives to offer ways to enhance their governance, risk management, and control processes; and objectively provides relevant assurance to them. To achieve this, the Head of Audit Partnership must produce an audit plan for each client, and communicate this and Mid Kent Audit's resource requirements, including the impact of resource limitations, to senior management and the Audit Committees at each client for their review and approval. The Head of Audit Partnership must ensure that Mid Kent Audit's resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.

The standard also requires the Head of Audit Partnership to establish policies and procedures to guide the internal audit activity, and to share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts.

Last, but by no means least, the standard requires the Head of Audit Partnership to report periodically to senior management and the Audit Committees on internal audits activities, purpose, authority, responsibility and performance relative to its plan, and on its conformance with the Code of Ethics and the Standards. Reporting must also include significant risk and control issues, including fraud risks, governance issues and other matters that require the attention of senior management and/or the audit panels.

As mentioned in section two of this report, Mid Kent Audit has an audit manual, supervision and quality assurance processes in place that meet the requirements of the PSIAS. They have developed comprehensive planning processes that follow best practice by taking into consideration the client's risks, objectives and risk management and governance frameworks; other relevant and reliable sources of assurance; any key issues identified by the client's managers; and Mid Kent Audit's own risk and audit needs assessments. From this information, they produce risk-based audit plans that are designed to enhance the client's risk management and governance frameworks and control processes; and objectively provide them with relevant assurance. These audit plans are reviewed and approved by the senior management and the Audit Committees at each client. We have noted that Mid Kent Audit do not currently have assurance maps for their clients to show where they get assurance from which can help in the development of the audit plan. The Head of the Mid Kent Audit Partnership is aware of this and has already included this as an action on the quality assurance and improvement plan timed alongside a

planned central update to Pentana scheduled for later in 2020, so we have not included this as an action from this EQA,

Details of the completed audits and the risk and control issues found, together with the progress being made on delivering the audit plans and the performance of Mid Kent Audit, is regularly reported to the Audit Committees, with an annual report opinion for each client being issued at the end of the year.

The clear indication from this EQA is that Mid Kent Audit is effectively managed, and conforms to standard 2000 and the LGAN.

5.9 Performance Standard 2100 – Nature of Work

Standard 2100 covers the way the internal audit activity evaluates and contributes to the improvement of the organisation's risk management and governance framework and internal control processes, using a systematic, disciplined and risk-based approach.

This is the approach adopted by Mid Kent Audit and is set out in their audit manual, the Pentana audit management system, and their working methodologies. During this EQA, we selected a small sample of completed audit engagements from different clients, and examined them to see if they conformed to standard 2100 and Mid Kent Audit's own methodologies. We found that the sample audits complied with both.

Internal audit's credibility and value is enhanced when auditors are proactive, and their evaluations offer new insights and consider future impact on the organisation. Mid Kent Audit's clients feel there is scope to provide more of this as it would add value to their operations.

The clear indication from this EQA is that Mid Kent Audit conforms to performance standard 2100 and the LGAN, although there are opportunities to enhance the amount and type of insight they offer their clients, as we have set out in section 8 of this report.

5.10 Performance Standard 2200 – Engagement Planning

Performance standard 2200 requires internal auditors to develop and document a plan for each engagement, including the engagement's objectives, scope, timing and resource allocations. The plan must consider the organisation's strategies, objectives, and risks relevant to the engagement.

As mentioned in section two of this report, Mid Kent Audit has an audit manual, supervision and quality assurance processes in place that covers engagement planning in detail, and meets the requirements of the PSIAS. During this EQA, we selected a sample of completed audit engagements, and examined them to see if they conformed to standard 2200. We found that they all conformed to the standards and Mid Kent Audit's own audit manual and associated protocols, and therefore we conclude that Mid Kent Audit conforms to performance standard 2200 and the LGAN.

5.11 Performance Standard 2300 – Performing the Engagement

Performance standard 2300 seeks to confirm that internal auditors analyse, evaluate and document sufficient, reliable, relevant and useful information to support the engagement results and conclusions, and that all engagements are properly supervised.

As mentioned in section two of this report, Mid Kent Audit has an audit manual, supervision and quality assurance processes in place that meets the requirements of the standards. During this EQA, we selected a sample of completed audit engagements from all of their clients, and examined them to see if they conformed to the standards. We found that they all conformed to the standards and Mid Kent

Audit's own audit manual, and therefore we conclude that Mid Kent Audit conforms to performance standard 2300 and the LGAN.

5.12 **Performance Standard 2400 – Communicating Results**

This standard requires internal auditors to communicate the results of engagements to clients and sets out what should be included in each audit report, as well as the annual report and opinion. When an overall opinion is issued, it must take into account the strategies, objectives and risks of the clients and the expectations of their senior management, the audit panels and other stakeholders. The overall opinion must be supported by sufficient, reliable, relevant, and useful information. Where an internal audit function is deemed to conform to the PSIAS, reports should indicate this by including the phrase "conducted in conformance with the International Standards for the Professional Practice of Internal Auditing".

The audit manual, supervision and quality assurance processes cover the communication of results in detail and meet the requirements of the PSIAS. We selected a sample of completed audit engagements and examined them to see if they conformed to the standards. We found that they all conformed to the standards and Mid Kent Audit's own audit manual. We also reviewed the progress and annual reports to the Audit Committees and found these also conformed to the standards and Mid Kent Audit's own internal procedures. We therefore conclude that Mid Kent Audit conforms to performance standard 2400, although there is a minor enhancement that can be made to strengthen their conformance to the standards that we have set out in section 8 of this report.

5.13 **Performance Standard 2500 – Monitoring Progress**

There is a comprehensive follow-up process in place at all of Mid Kent Audit's clients, the objective of which is to monitor the client's progress towards the implementation of agreed actions. The results of the follow-up reviews are reported to the relevant Audit Committees. From this EQA, it is evident that Mid Kent Audit conforms to performance standard 2500 and the LGAN.

5.14 **Performance Standard 2600 – Communicating the Acceptance of Risk**

Standard 2600 considers the arrangements which should apply if the Head of Audit Partnership has concluded that a client's management has accepted a level of risk that may be unacceptable to the organisation. Situations of this kind are expected to be rare. Consequently, we did not see any during this EQA. From this external quality assessment, it is evident that Mid Kent Audit conforms to performance standard 2600 and the LGAN.

6. Areas of partial conformance with the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note

6.1 There are no areas of partial conformance with the Public Sector Internal Audit Standards.

7. Areas of non-conformance with the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note

7.1 There are no areas of non-conformance with the Public Sector Internal Audit Standards.

8. Issues for management action

8.1 Although Mid Kent Audit conforms to the PSIAS there are a few minor issues that management should consider addressing. Some of these relate directly to the standards while others relate more to the effectiveness of the service they provide to their clients and potential opportunities to grow the business.

8.2 All of Mid Kent Audit's employees are required to complete and sign an annual declaration of interest form. This is common throughout the public sector,

however, many public sector internal audit services are now expanding these documents to include a statement that the employee has read and understood the requirements placed upon them by the standards, the code of ethics and the seven principles of public life as this is now regarded as good practice. We suggest consideration is given to adding such a paragraph to the declaration of interest forms for all Mid Kent Audit employees.

- 8.3 Mid Kent Audit has used IDEA in the past for data analytics but is no longer using it and does not have the current version of the application. The IDEA application has improved considerably since the last version Mid Kent Audit used, and coupled with the SmartAnalyser add-on tool, provides an effective and efficient way of auditing the core financial and HR systems used by Mid Kent Audits clients.
- 8.4 Mid Kent Audit's clients have indicated that they would like to see them be more insightful with their audits. There are a number of ways this can be achieved, such as cross cutting reviews across all of the partner authorities, horizon scanning and briefing sessions / documents for managers, and using data analytic tools such as the CIPFA Nearest Neighbours and VFM models,
- 8.5 As Mid Kent Audit conforms to the PSIAS, we suggest that they consider adding the statement 'Conforms with the Public Sector Internal Audit Standards'. to the individual audit reports that they issue. A similar, although not identical, statement is already included in the annual report.
- 8.6 The current audit report format for all of Mid Kent Audit's clients does not include a statement limiting the distribution and use of the report and its content. It is good practice to include such a statement in audit reports as it acts as a warning to readers not to release reports to third parties before they enter the public domain through the agreed distribution channels. Such a statement may also deter readers from extracting parts of the report and using it out of context to satisfy their own agendas. It is suggested that Mid Kent Audit consider adding a statement limiting the distribution and use of the report and its content to all audit reports.
- 8.7 The most recent collaboration agreement which formalises governance for the partnership is out of date, expiring in 2019. The authorities should work towards striking a new agreement that reflects their wishes and ambitions for Mid Kent Audit.
- 8.8 A summary of the agreed actions to address the above issues is included at the end of this report.

9. Action Plan

1. Statement limiting distribution and use of audit reports (Low priority)	
Rationale	Agreed Action
The current audit report format for all of Mid Kent Audit's clients does not include a statement limiting the distribution and use of the report and its content. It is good practice to include such a statement in audit report as it acts as a warning to readers not to release reports to third parties before they enter the public domain through the agreed distribution channels. Such a statement may also deter readers from extracting parts of the report and using it out of context to satisfy their own agendas. The Head of Audit Partnership should consider adding a statement to the audit reports limiting the distribution and use of the report and its content.	This is a fair and sensible suggestion to clarify the purpose of our reporting. We are consulting with CIPFA on example paragraphs and will then add suitable wording to our standard templates.
Action Responsibility	Head of Audit Partnership
Deadline	All reports for audit year 2020/21 and onward

2. Conforms to the IPPF (PSIAS) statement (Low priority)	
Rationale	Agreed Action
As Mid Kent Audit conforms to the PSIAS, we suggest that they consider adding the statement 'Conforms with the Public Sector Internal Audit Standards'. to the individual audit reports that they issue. A similar, but not identical, statement is already included in the Head of Audit Partnership's annual report and opinion.	This is a discretionary element of the Standards we have not previously applied. However, with clarification on our conformance provided by this review, we will consult with CIPFA on appropriate wording and add to our standard templates.
Action Responsibility	Head of Audit Partnership
Deadline	All reports for audit year 2020/21 and onward

3. Enhancement of the annual declaration of interest forms (Advisory)	
Rationale	Agreed Action
All of Mid Kent Audit's employees are required to complete and sign an annual declaration of interest form. This is common throughout the public sector, however, many public sector internal audit services are now expanding these documents to include a statement that the employee has read and understood the requirements placed upon them by the standards, the code of ethics and the seven principles of public life as this is now regarded as good practice. We suggest consideration is given to adding such a paragraph to the declaration of interest forms for all Mid Kent Audit employees	<p>We agree this is a sensible precaution but would wish to protect the audit team from excess administration by incorporating this declaration within (or alongside) existing practices at Maidstone BC.</p> <p>We will consult with Mid Kent Legal (who manage the overall declaration process) with a view to implementing a combined declaration for the audit service which meets all corporate and standards requirements for the new audit year.</p>
Action Responsibility	Head of Audit Partnership
Deadline	30 June 2020

4. Expand the use of data analytics (Advisory)	
Rationale	Agreed Action
Mid Kent Audit has used IDEA in the past for data analytics but is no longer using it and does not have the current version of the application. The IDEA application has improved considerably since the last version Mid Kent Audit used, and coupled with the SmartAnalyser add-on tool, provides an effective and efficient way of auditing the core financial and HR systems used by Mid Kent Audits clients. Consideration should be given to obtaining the latest version of IDEA and SmartAnalyser.	<p>We agree that the use of data analytics as a general discipline, plus the authority's use and reliance on data, has advanced considerably since we last used IDEA in 2014.</p> <p>We will take a look at IDEA, and perhaps other related packages, with a view to trialling use in the 2020/21 audit plan.</p>
Action Responsibility	Head of Audit Partnership
Deadline	30 June 2020

5. Provide greater insight for clients (Advisory)	
Rationale	Agreed Action
Mid Kent Audit's clients have indicated that they would like to see them be more insightful with their audits. There are a number of ways this can be achieved, such as cross cutting reviews across all of the partner authorities, horizon scanning and briefing sessions / documents for managers, and using data analytic tools such as the CIPFA Nearest Neighbours and VFM models,	<p>We have periodically completed comparative work across the partnership and note it has been well received. With our use of Pentana since 2018, it has become easier to collate and organise our work in such a way to support broader use of our findings and insights.</p> <p>We will liaise within the audit management team and with clients on how best to take forward the information we gather to support this sort of analysis, with a view to trialling one or more approaches as part of our 2020/21 audit plan.</p>
Action Responsibility	Head of Audit Partnership
Deadline	30 September 2020

6. Renew collaboration agreement (Advisory)	
Rationale	Agreed Action
The most recent collaboration agreement which formalises governance for the partnership is out of date, expiring in 2019. The authorities should work towards striking a new agreement that reflects their wishes and ambitions for Mid Kent Audit.	We will revisit discussions around the current replacement draft and drive this discussion forward among the authorities.
Action Responsibility	Head of Audit Partnership & Mid Kent Services Director
Deadline	31 December 2020

10. Definitions

Fully Conforms	The internal audit service complies with the standards with only minor deviations. The relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, at least comply with the requirements of the section in all material respects.
Partially Conforms	The internal audit service falls short of achieving some elements of good practice but is aware of the areas for development. These will usually represent significant opportunities for improvement in delivering effective internal audit and conformance to the standards.
Does Not Conform	The internal audit service is not aware of, is not making efforts to comply with, or is failing to achieve many/all of the elements of the standards. These deficiencies will usually have a significant adverse impact on the internal audit service's effectiveness and its potential to add value to the organisation. These will represent significant opportunities for improvement, potentially including actions by senior management or the board.

Action Priorities	Criteria
High priority	The internal audit service needs to rectify a significant issue of non-conformance with the standards. Remedial action to resolve the issue should be taken urgently.
Medium priority	The internal audit service needs to rectify a moderate issue of conformance with the standards. Remedial action to resolve the issue should be taken, ideally within six months.
Low priority	The internal audit service should consider rectifying a minor issue of conformance with the standards. Remedial action to resolve the issue should be considered but the issue is not urgent.
Advisory	These are issues identified during the course of the EQA that do not adversely impact the service's conformance with the standards. Typically, they include areas of enhancement to existing operations and the adoption of best practice.

The co-operation of the Head of Audit Partnership and Head of Internal Audit, the Deputy Heads of Audit, Audit Managers, and the Business Support Unit at Mid Kent Audit in providing the information requested for this EQA, is greatly appreciated. Our thanks also go to chairs of Audit Committees and the Finance Directors from Mid Kent Audit's clients that made themselves available for interview during the EQA process and/or completed questionnaires.

Ray Gard, CPFA, FCCA, FCIIA, DMS

XX March 202-

This report has been prepared by CIPFA at the request of the Management Board of Mid Kent Audit, and Mid Kent Audit's Head of Audit Partnership, the terms for the preparation and scope of the report have been agreed with them. The matters raised are only those that came to our attention during our work. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, we have only been able to base findings on the information and documentation provided. Consequently, no complete guarantee can be given that this report is necessarily a comprehensive statement of all the issues with their conformance to the Public Sector Internal Audit Standards that exist, or of all the improvements that may be required.

The report was prepared solely for the use and benefit of the Management Board of Mid Kent Audit, and Mid Kent Audit's Head of Audit Partnership, and to the fullest extent permitted by law, CIPFA accepts no responsibility and disclaims all liability to any third party who purports to use or rely, for any reason whatsoever on the report, its contents, conclusions, any extract, and/or reinterpretation of its contents. Accordingly, any reliance placed on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Appendix A

Summary of Survey Results

As part of the EQA process, CIPFA used a questionnaire to obtain the views of the key stakeholders from Mid Kent Audit Partnership's clients. The questionnaire was sent to the Heads of Finance and audit committee chairs of each client and thirty five completed questionnaires were returned.

No.	Question	Responses Received		
		Agree	Partially Agree	N/A
1	The internal audit service is seen as a key strategic partner throughout the organisation.	30	5	0
2	Senior managers understand and fully support the work of internal audit.	33	2	0
3	Internal audit is valued throughout the organisation.	30	4	1
4	The internal audit service is delivered with professionalism at all times.	35	0	0
5	The internal audit service responds quickly to changes within the organisation.	29	6	0
6	The internal audit service has the necessary resources and access to information to enable it to fulfil its mandate.	32	3	0
7	The internal audit service is adept at communicating the results of its findings, building support and securing agreed outcomes	32	3	0
8	The internal audit service's recommendations consider the wider impact on the organisation	32	3	0
9	The internal audit service ensures that recommendations made are proportionate, commercial and practicable in relation to the risks identified.	31	4	0
10	There have not been any significant control breakdowns or surprises in areas that have been positively assured by the internal audit service	33	2	0
11	The internal audit service includes consideration of all risk areas in its work programme.	33	2	0
12	Internal audit advice has a positive impact on the governance, risk management, and the system of control of the organisation.	34	1	0
13	Internal audit activity has enhanced organisation-wide understanding of governance, risk management, and internal control.	33	2	0

No.	Question	Responses Received		
		Agree	Partially Agree	N/A
14	The internal audit service asks challenging and incisive questions that stimulate debate and improvements in key risk areas.	30	5	0
15	The internal audit service raises significant control issues at an appropriate level and time in the organisation.	34	1	0
15	The organisation accepts and uses the business knowledge of internal auditors to help improve business processes and meet strategic objectives.	24	11	0
17	Internal audit activity influences positive change and continuous improvement to business processes, bottom line results and accountability within the organisation	33	2	0
18	Internal audit activity promotes appropriate ethics and values within the organisation	34	1	0