



**Audit Advisory Committee**  
20 September 2017

**Report from the Chief Finance Officer**

For Information

Wards Affected: ALL

**Public Sector Internal Audit Standards (PSIAS) Action Plan**

**1. Summary**

- 1.1. The purpose of this report is to inform members of the result of the self-assessment of the Internal Audit service against the Public Sector Internal Audit Standards (PSIAS). The Quality Assurance and Improvement Programme (QAIP) sets out how we will address the areas where we are not compliant.

**2. Recommendations**

- 2.1. That the Audit Advisory Committee notes the contents of the proposed Action Plan.

**3. Detail**

- 3.1. The PSIAS have been in place since 1<sup>st</sup> April 2013 and replaced the former Code of Practice for Internal Audit in Local Government 2006. The standard was subject to minor revisions in April 2016.
- 3.2. Attribute standard 1300 – Quality Assurance and Improvement Programme (QAIP) states that: *“The Chief Audit Executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.”*
- 3.3. The Quality Assurance and Improvement Programme is designed to enable an evaluation of the internal audit activity’s conformance with the Standards as well as an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.
- 3.4. The quality assurance and improvement programme must include both internal and external assessments.

- 3.5. A checklist has been developed by the 'Relevant Internal Audit Standard Setters' to satisfy the requirements set out in PSIAS for periodic self-assessments and externally validated self-assessments as part of the Quality Assurance and Improvement Programme. It incorporates the requirements of the PSIAS as well as the Local Government Application Note (as developed by CIPFA) in order to give comprehensive coverage to both documents.
- 3.6. The new Head of Audit and Investigations undertook a self-assessment in August 2017 against the checklist. The full assessment has not been included in this report but is available on request.
- 3.7. Our assessment is that, while a majority of the requirements are met, the Internal Audit Service is not yet fully compliant with the PSIAS. The service is working towards compliance. Appendix 1 sets out the actions which will be taken to enable Brent's Internal Audit service to be compliant with the Standards. The intention to implement these actions prior to the Peer Review in spring 2018. (We have not included the full QAIP checklist and assessment but it is available on request.)
- 3.8. The Quality Assurance and Improvement Programme includes the requirement for an external assessment of internal audit against the PSIAS every five years (this should be completed before 31 March 2018) as defined by the Standard. Brent has yet to complete this external assessment but has taken steps to have a Peer Review undertaken in spring 2018.

#### **4. Financial Implications**

- 4.1. There are no specific financial implications associated with noting this report.

#### **5. Legal Implications**

- 5.1. The Council is required by law to maintain an effective internal audit function.

#### **6. Diversity Implications**

- 6.1. None.

#### **7. Background Papers**

- 7.1. None.

#### **Contact Officer Details**

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