



Audit Advisory Committee
20 March 2018

Report from the Chief Finance Officer

Public Sector Internal Audit Standards (PSIAS) Action Plan

Wards Affected:	All
Key or Non-Key Decision:	Non-key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One: <ul style="list-style-type: none"> Quality Assurance and Improvement Action Plan
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Michael Bradley Head of Audit and Investigations Email: michael.bradley@Brent.gov.uk Tel: 020 8937 6526

1.0 Purpose of the Report

- 1.1 The purpose of this report is to inform Members of the progress on implementing the action plan that was produced after the self-assessment of the Internal Audit service against the Public Sector Internal Audit Standards (PSIAS).

2.0 Recommendation

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

3.0 Detail

- 3.1 The PSIAS have been in place since 1 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 the Chartered Institute of Public Finance and Accountancy (CIPFA)) in order to give comprehensive coverage to both documents.
- 3.6 The Head of Audit and Investigations undertook a self-assessment in August 2017 against the checklist.
- 3.7 The assessment was 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 an update against the actions which were planned to enable compliance with the Standards.
- 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. Brent is part of a Peer Review programme that is independently facilitated by the London Borough of Croydon. We are awaiting a reviewer authority to be allocated.

4.0 Financial Implications

- 4.1 None

5.0 Legal Implications

- 5.1 None

6.0 Equality Implications

- 6.1 None

7.0 Consultation with Ward Members and Stakeholders

- 7.1 None necessary

Report sign off:

CONRAD HALL
Chief Finance Officer