

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

16 APRIL 2015

REPORT OF THE CORPORATE DIRECTOR - RESOURCES

INTERNAL AUDIT SHARED SERVICE SELF ASSESSMENT AGAINST THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS 2014 - 2015.

1. Purpose of Report.

1. To inform Members of the results of the assessment of the Internal Audit Shared Service function against the Public Sector Internal Audit Standards (PSIAS), effective from 1st April 2013.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities.

- 2.1. Internal Audit's work impacts on all of the Corporate Improvement Objectives /other corporate priorities.

3. Background

- 3.1. From the 1st April 2013, the Internal Audit Shared Service has been working to the Public Sector Internal Audit Standards (PSIAS), defined as proper practice for Internal Audit in the UK Public Sector, which the Audit Committee endorsed at their meeting held on 23rd January 2013.
- 3.2. The PSIAS is applicable to all areas of the United Kingdom public sector and is based on the Chartered Institute of Internal Auditor's (CIIA's) International Professional Practices Framework.
- 3.3. The roles of the Audit Committee in relation to internal audit are to:
 - Oversee its independence, objectivity, performance and professionalism;
 - Support the effectiveness of the internal audit process and;
 - Promote the effective use of internal audit within the assurance framework.

4. Current situation / proposal

- 4.1. The Head of Audit has undertaken a self-assessment to demonstrate the extent to which the Internal Audit Shared Service complied with the PSIAS and to identify, if applicable, areas where further work is required to demonstrate compliance.
- 4.2. The self-assessment has recently been completed for 2014/15. A summary of the assessment findings is presented in Appendix A and the Conformance checklist at Appendix B to this report, both highlighting where the existing service complies with the PSIAS; or is considered not applicable to the Service and where action is required to address areas of current non-compliance.
- 4.3. The PSIAS are broken down into two main areas:

- Attribute Standards address the characteristics of organisations and parties performing Internal Audit activities;
- Performance Standards describes the nature of Internal Audit activities and provide quality criteria against which the performance of these services can be evaluated.

4.4. As can be seen from Appendix A and B, the Internal Audit Shared Service is fully compliant with all relevant parts of the Standards. However, in relation to Standard 1312 - "External Assessment"; two responses have attracted negative answers. These can only be addressed once the Internal Audit Shared Service has agreed a timetable for being externally assessed; as these questions relate specifically to agreeing a scope of the external assessment. The Standard stipulates that an external assessment must be carried out, at least once every five years. As the Standards became effective from 1st April 2013; the Section must therefore have undergone an assessment before the end of March 2018.

5. Effect upon Policy Framework & Procedure Rules.

5.1. There is no effect upon the policy framework and procedure rules

6. Equality Impact Assessment.

6.1. There are no equality issues.

7. Financial Implications.

7.1. There are no financial implications as a result of this report.

8. Recommendation.

It is recommended that:

8.1. Members note compliance with the PSIAS and comment on the areas where compliance has not yet been achieved.

Ness Young
Assistant Chief Executive - Performance
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Contact Officer: Helen Smith – Chief Internal Auditor

Telephone: (01656) 754901

E-mail: internalaudit@bridgend.gov.uk

Postal Address
Bridgend County Borough Council
Internal Audit
Innovation Centre,
Bridgend Science Park

Bridgend
CF31 3NA

Background Documents
None