

REPORT TO:		Audit Committee	
DATE:		27 June 2016	
PORTFOLIO:		Cllr Gareth Molineux - Resources	
REPORT AUTHOR:		Mark Beard – Head of Audit & Investigations	
TITLE OF REPORT:		PUBLIC SECTOR INTERNAL AUDIT STANDARDS SELF-ASSESSMENT AND QUALITY ASSURANCE & IMPROVEMENT PROGRAMME	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. Purpose of Report

- 1.1 To inform members of the updated self-assessment of the Public Sector Internal Audit Standards (PSIAS) carried out by the Head of Audit & Investigations and also the Quality Assurance and Improvement Programme (QAIP) which sets out how we manage any standards that are not compliant, thus ensuring conformance with the PSIA's overall.

2. Recommendations

- 2.1 I recommend that Audit Committee:
- notes the updated PSIAS Self-Assessment; and
 - notes the updated QAIP.

3. Reasons for Recommendations and Background

- 3.1 The PSIA's have been in place since 1st April 2013 and replace the former Code of Practice for Internal Audit in Local Government 2006.
- 3.2 The Standards are subject to a self-assessment which is carried out annually by the Head of Audit & Investigations and will be subject of an external assessment prior to 31st March 2018. Work is at an advanced stage at a County-wide level with 8 of the other Lancashire Heads of Audit in relation to the external assessment process.
- 3.3 Hyndburn's Internal Audit function will be subject to external Peer Review by 2 of the other Lancashire Heads of Audit. The Head of Audit & Investigations will be involved in

the Peer Review External inspection of 2 Lancashire Internal Audit Teams. The process and timetable are being finalised and the Head of Audit & Investigations will produce an update report for Audit Committee in due course.

- 3.3 In addition the standards also state that is a Quality Assurance and Improvement Programme (QAIP) in place to demonstrate both how conformance with the Standards is monitored and met together with what is in place for those areas that do not fully comply with the Standards.
- 3.4 This was the third self-assessment of the Standards carried out by the Head of Audit & Investigations. The PSIAs checklist considers 332 individual tasks and areas that Internal Audit must comply with. The self-assessment highlighted that 19 of these were not applicable to Internal Audit at Hyndburn and of the remaining 313, the Internal Audit Team is 96.49% complaint (302). **APPENDIX 1**
- 3.5 The QAIP has been rechecked and revised to reflect the changes from the self-assessment. Of the 11 areas not compliant, 6 are partially complaint and 5 are not compliant. **APPENDIX 2**

4. Alternative Options considered and Reasons for Rejection

- 4.1 Ensuring that a self-assessment of the PSIAs is carried out by an appropriately qualified person and that a QAIP is in place are both factors from within the said standards. The only alternative would be to not do either of these necessary tasks both of which are a requirement of the PSIAs.

5. Consultations

- 5.1 No consultations required as this report is based on the PSIAs Self-Assessment and the QAIP, both of which are attached to this report.

6. Implications

Financial implications (including any future financial commitments for the Council)	There are no financial implications arising from this report
Legal and human rights implications	There are legal or human rights implications arising from this report.
Assessment of risk	Risks are taken into consideration during the audit process itself, there is no direct risk implication from this report.
Equality and diversity implications <i>A Customer First Analysis should be</i>	A Customer First Analysis is not required as

completed in relation to policy decisions and should be attached as an appendix to the report.

the PSiAs or QAIP are not setting new policy for the audit function or Council. These two documents demonstrate elements required with the PSiAs.

**7. Local Government (Access to Information) Act 1985:
List of Background Papers**

7.1 No background papers were necessary for the preparation of this report.

8. Freedom of Information

8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.