

External Review Report

REPORT TO AUDIT AND STANDARDS COMMITTEE



DATE	20/09/2017
PORTFOLIO	Resources and Performance Management
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PURPOSE

1. To inform members of the report from the external review of Internal Audit against the Public Sector Internal Audit Standard.

RECOMMENDATION

2. The Committee considers the report and comments on the planned actions.

REASONS FOR RECOMMENDATION

3. Members can monitor the performance of the Internal Audit Section.

SUMMARY OF KEY POINTS

Public Sector Internal Audit Standards (PSIAS)

4. The PSIAS were first introduced as required internal audit practices in 2013. Annually Internal Audit is required to comment on its compliance with the standards and at least once every five years the compliance must be externally assessed. The assessment was undertaken in June 2017 by the Heads of Internal Audit in Hyndburn and Pendle in the form a peer review.
5. This peer review process is available from the Lancashire Districts Chief Auditor Group and the process used is a standard for this type of external review. The reviews are provided with access to officers and evidence from ourselves and interviewed a range of key officers (Chief Executive Officer, Monitoring Officer, Section 151 Officer. Heads of Service, auditors and auditees). The Chair of the Audit and Standards Committee was also interviewed.

Report

6. The main outcome from the review was that they considered that the Council complied with the PSIAS requirements (Appendix 1).
7. The standard requires over 300 points of compliance and the assessment was that

Internal Audit complied with 95%, with no major areas of non-compliance.

Actions

8. There were 4 points for consideration impacting on 14 points of the standard which the Reviewers considered important to bring to the attention of the Council. As the Audit and Standards Committee is an important part of the delivery of an effective internal audit service these actions are reported in the report as an action plan with our responses and plans to improve these areas. These will be included into Internal Audit's Quality Assurance and Improvement programme (QAIP).
9. There were additional points which were identified during the interviews which were comments in connection with the impact that internal audit has within the Council and the Council's response to internal audit. These are about the value that the Council obtains from the service and it's perception in the Council.
10. The proposed actions have been presented to Management Team and the final action plan developed from those responses. (Appendix 2)
11. One of the actions is to increase the information in the Quality Assurance and Improvement Programme. The revised QAIP is attached. (Appendix 3)

Thanks

12. The peer review could not be undertaken without the provision of this service from the Lancashire District Chief Auditor Group and the full co-operation of the colleagues and members who participated.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

13. None

POLICY IMPLICATIONS

14. The provision of an effective internal audit service is a statutory requirement as is compliance with proper practice as defined in the PSIAS.

DETAILS OF CONSULTATION

15. Management Team.

BACKGROUND PAPERS

16. None

FURTHER INFORMATION

PLEASE CONTACT:

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