

# WEST NORTHAMPTONSHIRE COUNCIL AUDIT & GOVERNANCE COMMITTEE

27 MARCH 2024

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**Report Title**                      **Public Sector Internal Audit Standards – Self Assessment**

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## Contributors/Checkers/Approvers

<b>DMO</b>	Sarah Hall	19/03/2024
<b>S151 Officer / Director</b>	Martin Henry	15/03/2024

## List of Appendices

**Appendix A – Quality Assurance and Improvement Programme**

**Appendix B – Internal Audit Charter**

### **1. Purpose of Report**

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1.1. To allow the Committee to consider the results of a self-assessment which has been undertaken against the requirements of the Public Sector Internal Audit Standards (PSIAS), to review the resulting Quality Assurance and Improvement Programme for the internal audit service, and to approve an updated Internal Audit Charter.

### **2. Executive Summary**

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2.1 The objectives of the Public Sector Internal Audit Standards (PSIAS) are to:

- define the nature of internal auditing within the UK public sector
- set basic principles for carrying out internal audit in the UK public sector

- establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations, and
- establish the basis for the evaluation of internal audit performance and to drive improvement planning.

2.2 The Local Government Application Note (LGAN) has been developed by CIPFA to provide specific further guidance on local government internal audit practices in relation to PSIAS.

### **3. Recommendations**

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- 3.1 It is recommended that the Audit & Governance Committee should:
- a) Note the summary of the results of the internal self-assessment undertaken by the Head of Audit & Risk Management against the PSIAS and endorse the Quality Assessment and Improvement Programme for the internal audit service that has been produced to address the issues noted within the self-assessment (Appendix A);
  - b) Approve the updated Internal Audit Charter (Appendix B);
  - c) Approve the proposal for the required external independent assessment against PSIAS to be undertaken during the 2025/26 financial year.

### **4. Reason for Recommendations**

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4.1 To ensure compliance with the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.

### **5. Report Background**

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- 5.1 The PSIAS (the 'Standards') set out the requirements which the Council's internal audit team must comply with in order to deliver a professional, independent and objective service.
- 5.2 Under the Standards, the Head of Audit & Risk Management (as the chief audit executive) must develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of internal audit activity.
- 5.3 The QAIP must include ongoing monitoring of the performance of the internal audit service, and periodic internal assessments against the Standards.
- 5.4 Additionally, an external assessment must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Council.
- 5.5 The results of the assessments, and the QAIP, must be reported to the Audit & Governance Committee.

## **6. Issues and Choices**

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- 6.1 The Head of Audit & Risk Management has undertaken a self-assessment against the requirements, and has identified a relatively small number of areas of partial or non-compliances.
- 6.2 For all other areas, the self assessment determined that the internal audit service is complying with the requirements set out in the Standards.
- 6.2 The improvement plan (attached as Appendix A) has been developed to address the areas of partial or non-compliance, and sets out responsibilities and proposed timescales for improvement actions.
- 6.3 Progress against the improvement plan will be reported regularly to the Audit & Governance Committee.
- 6.3 One of the improvement actions was to produce an updated Internal Audit Charter, and this is attached (Appendix B) for the Committee to consider and approve.

## **7. Implications (including financial implications)**

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### **7.1 Resources and Financial**

- 7.1.1 The external PSIAS assessment, proposed to be undertaken in 2025/26, will have a cost attached to it which will need to be factored into future budget setting processes.

### **7.2 Legal**

- 7.2.1 There are no legal implications arising from the proposals.

### **7.3 Risk**

- 7.3.1 There are no significant risks arising from the proposed recommendations in this report.

### **7.4 Consultation**

- 7.4.1 None required.

### **7.5 Climate Impact**

- 7.5.1 None identified.

### **7.6 Community Impact**

- 7.6.1 None identified.

## 7.7 Communications

7.7.1 None required.

## 8 Background Papers

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Public Sector Internal Audit Standards [PSAIS\\_1\\_April\\_2017.pdf \(publishing.service.gov.uk\)](#)