



## Report of the Chief Auditor

Audit Committee – 10 April 2018

### Audit Committee – PSIAS Peer Review Report

<b>Purpose:</b>	This report details the outcome of the peer review that has recently been completed to assess Internal Audit's compliance with the Public Sector Internal Audit Standards.
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<b>For Information</b>	

#### 1. Introduction

- 1.1 It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that internal audit providers must maintain a Quality Assurance and Improvement Programme (QAIP) which covers all aspects of the internal audit activity. This is intended to assist in raising standards across the public sector.
- 1.2 The QAIP allows internal audit providers to be assessed, both internally and externally, to show that the provider is fully complying with the PSIAS. Internal assessments are both ongoing and periodic and an external assessment must be undertaken at least once every 5 years.
- 1.3 As previously reported to Audit Committee, the preferred method adopted in Swansea for the external assessment was a self-assessment review subject to an external validation using the peer review group established by the Welsh Chief Auditors Group.
- 1.4 As part of the peer group allocation process, the Cardiff Council was tasked with undertaking the City and County of Swansea's external validation. In

order to facilitate the external review, the Principal Auditor from Cardiff Council was provided with all of the self-assessment information and associated documents/evidence in quarter 3 of 2017/18 with the external validation visits being completed in quarter 4.

- 1.5 The results of the peer review assessment and external validation process can be found in Appendix 1 in the form of the final assessment report that has been prepared by the visiting Principal Auditor from Cardiff Council.
- 1.6 In summary, the peer review has concluded that the City and County of Swansea's Internal Audit Section is broadly compliant with the PSIAS and Cipfa Application Note with no significant deviations from the Standards being noted.
- 1.7 Whilst no significant deviations from the Standards were noted, some areas for improvement were highlighted as part of the review. These take the form of recommendations R1 to R6 in the report in Appendix 1. The Management Action Plan in Appendix 2 provides details of how these recommendations will be addressed.

## **2. Equality and Engagement Implications**

- 2.1 There are no equality and engagement implications associated with this report.

## **3. Financial Implications**

- 3.1 There are no financial implications associated with this report.

## **4. Legal Implications**

- 4.1 Provision of an adequate and effective internal audit function is a legal requirement under the Accounts and Audit (Wales) Regulations 2005 as amended. For local government in Wales, the PSIAS is mandatory for all principal local authorities. An effective internal audit service also ensures that the Well-being goals within the Well-being of Future Generations Act Wales (2015) are being met.

**Background Papers:** None

**Appendix 1 – PSIAS Compliance Review Report (Cardiff Council)**

**Appendix 2 – PSIAS Peer Review Action Plan 2017/18**