



Report of the Chief Auditor

Governance and Audit Committee – 17 May 2023

Internal Audit

Self-Assessment of PSIAS Conformance 2022/23

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 and is intended to assist in raising standards across the public sector and ensuring consistency in improvement.

The QAIP allows internal audit providers to be assessed, both internally and externally, to show that the provider is complying with the PSIAS. Part of the internal assessment involves an annual review of compliance with the PSIAS using the detailed checklist included in CIPFA's Local Government Application Note. CIPFA released an updated version of the Local Government Application Note in February 2019 and this updated version has been used to complete the self-assessment for 2018/19. The annual self-assessment also fulfils the requirement established in the Accounts and Audit (Wales) Regulations 2014 for an annual assessment of the effectiveness of the Internal Audit service.

An external assessment of compliance with the PSIAS must be completed at least once every 5 years and may either be a full external assessment or a self-assessment which is subject to independent external validation.

The first external assessment in Swansea was completed in quarter 4 2017/18. The assessment method adopted was a self-assessment subject to external validation using the peer review group established by the Welsh Chief Auditors Group. The validation was completed by Cardiff Council.

In summary, the peer review concluded that the City and County of Swansea's Internal Audit Section is broadly compliant with the PSIAS, with no significant deviations from the Standards being noted. Some areas for improvement were highlighted as part of the review. All recommendations arising from the review have been fully implemented.

The results of the annual internal assessment of compliance with the PSIAS using CIPFA's detailed Local Government Application Note can be found in the table in

Appendix A. The assessment for 2022/23 confirms that the Internal Audit Section is fully compliant with the PSIAS.

APPENDIX A

In summary there are 336 best practice lines within the PSIAS. A self-assessment review of conformance against the PSIAS undertaken in March 2023 by the Chief Auditor concluded that the Internal Audit Section is fully compliant with the PSIAS.

The table below summarises the outcome of the self-assessment.

Standard	Conformance			Total
	C	P	N	
1. Mission of Internal Audit	1			1
2. Definition of Internal Audit	2			2
3. Core Principles	10			10
4. Code of Ethics	13			13
5. Attribute Standards				
1000. Purpose, Authority and Responsibility	21			21
1100. Independence and Objectivity	37			37
1200. Proficiency and Due Professional Care	21			21
1300. Quality Assurance and Improvement Programme	25			25
6. Performance Standards				
2000. Managing the Internal Audit Activity	41			41
2100. Nature of Work	30			30
2200. Engagement Planning	58			58
2300. Performing the Engagement	18			18
2400. Communicating Results	53			53
2500. Monitoring Progress	4			4
2600. Communicating the Acceptance of Risks	2			2
Total	336	0	0	336
Percentage	100%	0%	0%	100%

Key: C - Compliant. P – Part-compliant. N – Non-compliant.