



Public Sector Internal Audit Standards external assessment update

Committee Audit and Standards

Date of meeting 11 November 2016

Date of report 31 October 2016

Report by Assistant Chief Executive (Business Support)

1. Object of report

With reference to the minute of the last meeting, this report is to provide members with an update on the Public Sector Internal Audit Standards (PSIAS) external assessment timetable.

2. Background

Public Sector Internal Audit Standards (PSIAS)

The PSIAS have been developed to provide a consistent standard across the UK public sector and apply to central government, local government and NHS organisations.

These standards outline the following requirements:

'The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The quality assurance and improvement programme must include both internal and external assessments.'

'External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.'

At the last meeting, committee approved the appointment of EY as the external assessor.

3. Outline of findings

Self-assessment exercise

In accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS), a self-assessment exercise of the Audit and Assurance service has been completed. This exercise used good practice guidance, namely, the Chartered Institute of Public Finance & Accountancy (CIPFA) local government application note for the UK Public Sector Internal Audit Standards, as the benchmark.

The populated self-assessment checklist for assessing conformance with the PSIAS and the CIPFA local government application note can be found at Appendix 1.

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A quality assurance and improvement plan (QAIP) for 2016/17 has been prepared to support the self-assessment. The QAIP 2016/17 can be found at Appendix 2.

External assessment

The self-assessment and QAIP 2016/17 have been forwarded to the external assessor for independent validation.

A report on the outcome of the external assessment will be presented to the next meeting of the Audit and Standards committee, by EY.

4. Conclusions

In accordance with PSIAS requirements, a self-assessment and QAIP 2016/17 has been presented to the external assessor (EY) for independent validation.

A report on the outcome of the external assessment will be presented to the next meeting of the Audit and Standards committee, by EY.

5. Committee action

The committee is asked to note the contents of this report and the self-assessment and QAIP 2016/17 presented to EY for external assessment.

6. Consequences

Policy consequences	<i>In accordance with the Public Sector Internal Audit Standards 2016.</i>
Legal consequences	<i>In accordance with the Local Authority Accounts (Scotland) Regulations 2014.</i>
Financial consequences	<i>None</i>
Personnel consequences	<i>None</i>
Social Inclusion consequences	<i>None</i>
Risk consequences	<i>None</i>

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Name Gordon MacLennan

Title **Assistant Chief Executive
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