



Audit and Standards Committee Report

Report of: Kayleigh Inman, Senior Finance Manager (Internal Audit)

Date: 27th April 2017

Subject: Public Sector Internal Audit Standards Peer Review Report

Author of Report: Kayleigh Inman

Summary:

The purpose of this report is to present and communicate to members of the Audit and Standards Committee the outcomes of the peer review performed by Leeds City Council Internal Audit Service to assess compliance with the Public Sector Internal Audit Standards (PSIAS).

Recommendations:

- 1) Members of the Audit and Standards Committee are asked to note the contents of the report produced by Leeds Internal Audit Service.
 - 2) Members of the Committee approve the revised Internal Audit Charter.
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Background Papers:

Category of Report: Open

* Delete as appropriate

Statutory and Council Policy Checklist

Financial Implications
No Cleared by: Kayleigh Inman
Legal Implications
NO Cleared by:
Equality of Opportunity Implications
NO Cleared by:
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
Corporate
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

REPORT TO SHEFFIELD CITY COUNCIL AUDIT AND STANDARDS COMMITTEE
27th April 2017

Senior Finance Manager Report – Peer Review assessment compliance with the Public Sector Internal Audit Standards (PSIAS)

Purpose of the Report

1. The purpose of this report is to present and communicate to members of the Audit and Standards Committee the outcomes of the peer review performed by Leeds City Council Internal Audit Service to assess compliance with the Public Sector Internal Audit Standards (PSIAS).

Background

2. The Public Sector Internal Audit Standards (PSIAS) requires that an external assessment of an organisation’s internal audit function is carried out once every five years by a qualified, independent assessor or assessment team.
3. The purpose of the external assessment is to help improve delivery of the audit service and establish whether governance requirements relating to provision of the service are embedded.
4. In April 2016, the then Audit Committee approved the proposed method by which the external assessment will be undertaken at the council – that being a peer review conducted by one of the Core City authorities. The review would involve a self-assessment against the PSIAS followed by an external evaluation of the assessment and supporting evidence.

Review Process and Outcomes

5. In January 2017, Leeds City Council visited Sheffield to undertake the evaluation of our self-assessment, review supporting evidence, interview senior officers and members associated with Internal Audit and sample test a number of individual audit assignments.
6. The resulting assessment report, produced by Leeds concluded that :

Our assessment concludes that Sheffield City Council’s Internal Audit Service **Generally Conforms** with the requirements of the Public Sector Internal Audit Standards.

Generally Conforms means the assessor has concluded that the relevant structures, policies and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual Standard or element of the

Code of Ethics in all material respects. For the sections and major categories, this means there is general conformance to a majority of the individual Standard or element of the Code of Ethics and at least partial conformance to the others, within the section/category. This is the highest assessment opinion that can be given.

7. It was pleasing to note that Leeds concluded that “the Internal Audit service is a highly valued, professional and respected team which is actively contributing to improving the control environment of the Council”.
8. The full report is attached at appendix 1 to this report, and details the areas where further improvement can be made.
9. All recommendations were agreed and some have already been actioned. Progress is being made to implement the rest within the timescales agree.
10. One of the areas that required improvement was the Internal Audit Charter which is formally approved by the Audit and Standards Committee with the annual report (presented in September). This has been updated in line with the agreed recommendations and is also attached to this report for endorsement by the Audit and Standards Committee.

FINANCIAL IMPLICATIONS

11. There are no direct financial implications arising from the report.

EQUAL OPPORTUNITIES IMPLICATIONS

12. There are no equal opportunities implications arising from the report.

CONCLUSION

13. The peer review concluded that the Internal Audit Service within Sheffield City Council generally conforms to the Public Sector Internal Audit Standards.

RECOMMENDATION

14. Members of the Audit and Standards Committee are asked to note the contents of the report produced by Leeds Internal Audit Service.
15. Members of the Committee approve the revised Internal Audit Charter.