

AUDIT COMMITTEE: 30 January 2018

PUBLIC SECTOR INTERNAL AUDIT STANDARDS

REPORT OF THE HEAD OF FINANCE

AGENDA ITEM: 6.1

Reason for this Report

1. The Public Sector Internal Audit Standards (PSIAS) require (in Standard 1312) that “external assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.”
2. The assessment of Cardiff Council’s Internal Audit Section has been carried out by the Chief Audit Executive of a neighbouring council and this report has been prepared to provide Audit Committee Members with an update on the assessment of the audit team.

Background

3. The Audit Committee was advised, at the meeting on 30th November 2015, that it had been proposed by the Welsh Chief Auditors Group that the Welsh authorities establish a peer group to undertake the PSIAS assessments. The vast majority of authorities supported this approach and agreed to seek approval from their Managers within their authorities. This approach is consistent with a peer group established for Core Cities across the UK. This approach, based around a robust self-assessment and an external evaluation, fully meets the requirements of the Standard and has significant cost savings.
4. The Welsh authorities that used this approach shared a common terms of reference and were grouped to avoid any potential conflicts of interest. Cardiff Council was placed in a group with Rhondda Cynon Taf CBC (RCT) (where the Chief Audit Executive undertook the review of Cardiff Council) and Swansea Council (where the Chief Audit Executive of Cardiff Council undertook the review of Swansea Council).
5. Members are aware that it was agreed with the Chief Audit Executive of RCT that the review of Cardiff Council could be delayed until Q3, 2017/18 to allow the embedding of the changes to processes and assurance definitions that were put in place from April 2017.
6. The review of Swansea Council is currently on-going and the outcomes will be reported to the Audit Committee of that Council in due course.

Issues

7. The Chief Audit Executive for RCT has met with various officers from the Internal Audit Section and reviewed the supporting information provided to him (which included the annual self-assessment action plan, Audit Charter and process documents) in undertaking his review. The assessment considered that the narrative produced as part of the self-assessment was comprehensive, with references to documentary evidence to support the assessment. The self-assessment had already identified areas where improvements could be made, but the Chief Audit Executive for RCT agreed that these are not considered to be significant deviations from the PSIAS.
8. The assessment did identify a small number of points to be considered further with the aim of clarifying arrangements already in place. The recommendations he proposes to make relate to enhancing the information in the Charter and he has submitted them for consideration before he presents the report to Members at the Audit Committee meeting in March 2018.

Legal Implications

9. There are no legal implications arising from this report.

Financial Implications

10. There are no financial implications arising from this report.

RECOMMENDATIONS

11. That the Committee notes the contents of the report.

IAN ALLWOOD
HEAD OF FINANCE
30 January 2018