

## External Review of Compliance with Public Sector Internal Audit Standards (PSIAS)

To: Audit & Accounts Committee

Meeting Date: 24<sup>th</sup> November 2022

From: Mairead Claydon, Head of Internal Audit & Risk Management

Outcome: This report presents a copy of the recent external assessment of Cambridgeshire County Council Internal Audit's compliance with Public Sector Internal Audit Standards, for information.

Recommendation: Audit & Accounts Committee are requested to review and comment on the external assessment of Internal Audit's compliance with Public Sector Internal Audit Standards.

### Officer contact:

Name: Mairead Claydon  
Post: Head of Internal Audit & Risk Management  
Email: [Mairead.Claydon@cambridgeshire.gov.uk](mailto:Mairead.Claydon@cambridgeshire.gov.uk)  
Tel: 01223 715542

### Member contacts:

Names: Councillors Graham Wilson and Nick Gay  
Post: Chair/Vice-Chair  
Email: [graham.wilson@cambridgeshire.gov.uk](mailto:graham.wilson@cambridgeshire.gov.uk) / [nick.gay@cambridgeshire.gov.uk](mailto:nick.gay@cambridgeshire.gov.uk)  
Tel: 01223 70639

## 1. Background

- 1.1 The Public Sector Internal Audit Standards (PSIAS) were introduced in April 2013. Their aim was to promote robust governance and audit within public bodies, and to assist stakeholders in obtaining assurance that the internal audit function is performing effectively.
- 1.2 PSIAS recommends that public sector bodies should undertake an external review of their audit procedures at least once every five years. The Cambridgeshire Internal Audit team conducts an internal self-assessment against PSIAS standards every year, but last had a full external assessment in 2016/17, with a follow-up external assessment in 2017/18. It was therefore agreed to commission another external assessment in 2022.

## 2. Main Issues

- 2.1 This external assessment has been conducted as a 'peer-to-peer' review, completed by Steve Crabtree, Head of Internal Audit at Peterborough City Council, during 2022. It has been completed in line with CIPFA's Local Government Application Note Checklist, as recommended for peer-to-peer reviews.
- 2.2 The Cambridgeshire and Peterborough Internal Audit teams agreed a joint working and information sharing protocol in March 2021. This allows us to share the outcomes of audit work undertaken on services which are shared between the two authorities; reduce the risk of duplication across the two teams; and place assurance on one another's work.
- 2.3 In line with this agreement, it was agreed that the CCC and PCC Internal Audit teams would conduct reciprocal peer-to-peer PSIAS reviews. This allows each team to obtain greater assurance that they can place reliance on the work of the other.
- 2.4 The conclusion of the assessment of Cambridgeshire's PSIAS compliance is that the CCC Internal Audit team fully conforms to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note. There is one attribute standard where an element of partial conformance was noted, but it was confirmed that this did not have a material impact on the assessment.
- 2.5 Following on from the assessment, several actions were agreed to further improve the service's compliance and effectiveness. Some of these were completed prior to conclusion of the review, including the re-introduction of a new electronic customer satisfaction questionnaire, and the implementation of the new risk assurance process. The remaining actions have been incorporated into the team's Quality Assurance & Improvement Plan, and the intention is to complete all actions by May 2023.
- 2.6 The full report on Cambridgeshire's PSIAS compliance assessment is attached as Annex A to this report.

### 3. Alignment with corporate priorities

#### 3.1 Communities at the heart of everything we do

There are no significant implications for this priority.

#### 3.2 A good quality of life for everyone

There are no significant implications for this priority.

#### 3.3 Helping our children learn, develop and live life to the full

There are no significant implications for this priority.

#### 3.4 Cambridgeshire: a well-connected, safe, clean, green environment

There are no significant implications for this priority.

#### 3.5 Protecting and caring for those who need us

There are no significant implications for this priority.

### 4. Source documents guidance

#### 4.1 Source documents

External Review of Compliance with Public Sector Internal Audit Standards (PSIAS)

#### 4.2 Location

Annex A of this report.