

**Agenda Item No:**

**Report to:** Audit Committee

**Date of Meeting:** 11 April 2013

**Report Title:** New Public Sector Internal Audit Standards

**Report By:** Tom Davies  
Chief Auditor

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**Purpose of Report**

To inform the committee that new changes are being introduced with effect from 1 April 2013 in relation to public sector internal audit standards and that a report detailing the full impact of these will be submitted to the 27 June committee.

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**Recommendation(s)**

1. To note the report.

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**Reasons for Recommendations**

The new standards apply from 1 April 2013 and will be mandatory.

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## Introduction

1. The UK public sector internal audit standards (PSIAS), which are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) have been published.
2. This publication is aimed at accounting officers, accountable officers, board and audit committee members, heads of internal audit, internal auditors, external auditors and other stakeholders such as chief financial officers and chief executives.
3. The objectives of the PSIAS are to:
  - define the nature of internal auditing within the UK public sector
  - set basic principles for carrying out internal audit in the UK public sector
  - establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations
  - establish the basis for the evaluation of internal audit performance and to drive improvement planning
4. The Council will be under an obligation to comply fully or to provide a clear justification for any aspects of non-compliance. The Council's External Auditor will also be required to obtain assurance as to compliance and to report any material non-compliance.
5. The standards will apply from 1 April 2013, and will replace the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006.
6. A report explaining all of the implications arising as a result of the new standards, along with any revised policies and procedures required, will be presented to the 27 June 2013 Audit Committee meeting.

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## Wards Affected

None

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## Area(s) Affected

None

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## Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No

Economic/Financial Implications	No
Human Rights Act	No
Organisational Consequences	Yes
Local People's Views	No

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## Background Information

IA full copy of the new standards is available from the following link:

<http://www.cipfa.org/Policy-and-Guidance/Standards/Public-Sector-Internal-Audit-Standards>

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## Officer to Contact

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