

Public Sector Internal Audit Standards

external assessment

Introduced in 2013 and most recently updated in 2017, the Public Sector Internal Audit Standards (PSIAS) promote robust governance and audit within public sector bodies and ensure that organisations and audit committees can be confident that their internal audit function is performing effectively. Together with the PSIAS, CIPFA's Local Government Application Note stands as 'proper practices' for local government and we are best placed to carry out the external assessment process required by the PSIAS.

Why CIPFA?

CIPFA is recognised as the leading commentator on managing and accounting for public money, as well as being the standard-setters for public sector internal audit in UK local government. CIPFA is ideally placed to assess organisations against the standards and ensure a robust and critical review.

We regularly undertake internal audit reviews and have validated many organisations on the effectiveness of their internal audit. Our advisors hold, or have held, senior positions at Council and/or Audit Committee level and can draw upon this experience when supporting your organisation.

CIPFA's Approach

As evidenced in the PSIAS, external assessments of the internal audit function must be conducted at least once every five years by a qualified, independent reviewer from outside the organisation.

There are a number of ways in which organisations are completing this requirement and CIPFA outlines below how we can best support you to conform with the Standards.

Confirmation of 'Peer Review' Conclusions

For those organisations undertaking the external assessment of their internal audit through a reciprocal peer assessment or consortium agreement, CIPFA can provide a short, completely independent validation of this approach.

This would be a truly independent, professional and objective approach to confirm the external reviews are fully compliant.

The methodology includes an on-site visit to analyse key documents, one audit file and annual reports and have short discussions with key members of the audit and governance teams.

CIPFA will provide a confirmation that states the external assessment through a 'peer review' approach, fully meets the standards.



Independent validation of self-assessment

For those organisations who are currently adopting a rigorous self-assessment and who require an independent (external) validation, CIPFA can provide the following approach.

This validation will include:

- Document and audit file reviews
- On-site interviews with key personnel
- A detailed output report discussing the findings
- CIPFA confirmation of compliance with PSIAS

This review will be supported by your organisation's fully evidenced self-assessment. To ensure the process runs as smoothly as possible, we would recommend that the checklist from the Local Government Application note is used for this purpose.

Full external assessment

CIPFA can support a full independent assessment of your organisation, depending on your requirements.

This assessment will include:

- Document and audit file reviews
- On-site interviews with key personnel
- A detailed output report discussing the findings
- Detailed recommendations for areas of non-compliance
- Further guidance from our expert advisors for continued improvement
- On-site meeting with senior officers and Committees to present and discuss the report
- CIPFA confirmation of compliance with PSIAS

The resource required to support any of the approaches outlined above will be specific to each organisation, so please contact us directly to discuss the options further.

What to expect after the review?

- Validate conformance with the Public Sector Internal Audit Standards
- Raise the profile of internal audit within your organisation
- Expert support from CIPFA advisors for continuous improvement
- Benchmark your organisation against peers

Who should I contact?

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