

## **Business Assurance - External Quality Assurance Review and Opinion**

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### **REASON FOR ITEM**

The Effectiveness of Internal Audit (IA) is a key cornerstone of good governance. The UK Public Sector Internal Audit Standards (PSIAS), adopted by the Relevant Internal Audit Standard Setters (RIASS) from 1 April 2013, encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).

This includes Attribute Standard 1300 - Quality Assurance and Improvement Programme, under which standard 1312 - External Assessments which, in line with the Standard, must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The last external assessment of the Council's IA function took place in 2012.

In response to this requirement, most London authorities have signed up to a partnership arrangement whereby each HIA carries out an external review of another London authority. The London Borough of Lambeth carried out the External Quality Assessment (EQA) of our IA service, providing an opinion on conformance to the PSIAS. The review is expected to take place over 5 days and was conducted within existing IA resources.

In addition to the EQA, IA conducts an annual review assessing the effectiveness of the IA function and provides assurance over IA's compliance with the PSIAS. In 2016/17 this assessment was undertaken by our external IA contractor, Mazars, to ensure appropriate independence in the assessment with this previously reported to the Committee at its meeting on 22 September 2016.

### **OPTIONS AVAILABLE TO THE COMMITTEE**

The Audit Committee is asked to review and note the findings from the External Quality Assessment.

### **INFORMATION**

IA provides an independent appraisal and consultancy service that underpins good governance, which is essential in helping the Council achieve its strategic objectives and realise its vision for the borough of Hillingdon. It is also a requirement of the Accounts and Audit (England) Regulations 2015 that the Council undertakes an adequate and effective IA of its accounting records and of its system of internal control in accordance with the proper practices.

The PSIAS, which came into force on the 1<sup>st</sup> April 2013, promote further improvement in the professionalism, quality, consistency and effectiveness of IA across the public sector. They stress the importance of robust, independent and objective IA arrangements to provide senior management with the key assurances they need to support them both in managing the organisation and in producing the Annual Governance Statement (AGS).

### **LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report.

Audit Committee 27 September 2017  
PART I – MEMBERS, PUBLIC & PRESS