

## Public Sector Internal Audit Standards 2014 conformance assessment

Standard	Conformance	Observations and actions proposed	When?	Who?
<b>Definition of Internal Auditing</b>	Yes			
<b>Code of Ethics</b>				
Integrity	Yes			
Objectivity	Yes			
Confidentiality	Yes			
Competency	Yes	Whilst training records are maintained by auditors and appraisals identify development requirements, the recording and retention of training records and whether there is a need to keep a central training file will be reviewed	September 2014	Head of Audit
<b>Attribute Standards</b>				
<b>1000 Purpose, Authority and Responsibility</b>	Yes			
1100 Independence and Objectivity	Yes	The internal audit charter was updated in December 2013 and approved by both the Audit Committee and Management Board. Circulation and awareness session planned.	July 2014	Head of Audit
1110 Organisational Independence	Partially	1. The Terms of Reference of the Council's Audit Committee will be reviewed in light of the new CIPFA guidance of Audit Committees and consideration will be given to ensuring their compliance with the	Sept 2014	Head of Audit/ Audit Committee

Standard	Conformance	Observations and actions proposed	When?	Who?
		<p>PSIAS. In addition, other clients Audit Committee's Terms of Reference will be reviewed as appropriate.</p> <p>2. The Chief Executive will be asked to contribute feedback to the performance appraisal of the Head of Audit</p> <p>3. The Chair of Audit Committee will be asked to contribute feedback to the performance appraisal of the Head of Audit.</p>	<p>April / May 2014</p> <p>April / May 2014</p>	<p>Section 151 Officer</p> <p>Section 151 Officer</p>
1111 Direct Interaction with the Board	Yes	Review of internal audit strategy and outcome of combined assurance status report circulated to Management Board	Completed	Head of Audit
1120 Individual Objectivity	Yes	Note: Where the Head of Audit has operational responsibility – external firms undertake the audit engagement through the Section 151 Officer		
1130 Impairment to Independence or Objectivity	Yes			
<b>1200 Proficiency and Due Professional Care</b>	Yes			
1210 Proficiency	Yes			

Standard	Conformance	Observations and actions proposed	When?	Who?
1220 Due Professional Care	Yes			
1230 Continuing Professional Development	Yes			
<b>1300 Quality Assurance and Improvement Programme</b>	Yes	There is a QAIP in place however, the IA manual would benefit from a review to reflect those processes which are now electronic and to ensure that it complies completely with the standards	July 2014	Head of Audit
1310 Requirements of the Quality Assurance and Improvement Programme	Yes			
1311 Internal Assessments	Yes			
1312 External Assessments	No	Consider the approach and timing of an external audit assessment with the Section 151 Officer or a self-assessment with 'independent validation'.  External assessment or a self-assessment with 'independent validation' to be conducted.	March 2015  During 2015 / 16	Section 151 Officer & Audit Committee
1320 Reporting on the Quality Assurance and Improvement Programme	Yes	Head of Internal Audit produces annual report and self-assessment for review group to evaluate the effectiveness of the Council's internal audit arrangements.	July 2014	Review Group & Audit Committee
1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'	Yes			
1322 Disclosure of Non-conformance	Yes			

Standard	Conformance	Observations and actions proposed	When?	Who?
<b>Performance Standards</b>				
<b>2000 Managing the Internal Audit Activity</b>	Yes			
2010 Planning	Yes			
2020 Communication and Approval	Yes			
2030 Resource Management	Yes			
2040 Policies and Procedures	Yes			
2050 Coordination	Yes			
2060 Reporting to Senior Management and the Board	Yes			
2070 External Service Provider and Organisational Responsibility for Internal Auditing	Yes			
<b>2100 Nature of Work</b>	Yes			
2110 Governance	Yes	<p>Note: the standards include IA review of ethics. We audit the governance arrangements which includes - values</p> <p>The Head of Audit forms an opinion on the governance, risk and control environment of the Council each year.</p> <p>Public sectors ethical framework is determined through the Councils standards regime with oversight undertaken by the Monitoring Officer.</p> <p>Given the above it is not deemed necessary to undertake a separate</p>		

Standard	Conformance	Observations and actions proposed	When?	Who?
		ethical audit		
2120 Risk Management	Yes			
2130 Control	Yes			
<b>2200 Engagement Planning</b>	Yes			
2210 Engagement Objectives	Yes			
2220 Engagement Scope	Yes			
2230 Engagement Resource Allocation	Yes			
2240 Engagement Work Programme	Yes			
2300 Performing the Engagement	Yes			
2310 Identifying Information	Yes			
2320 Analysis and Evaluation	Yes			
2330 Documenting Information	Yes			
2340 Engagement Supervision	Yes			
<b>2400 Communicating Results</b>	Yes			
2410 Criteria for Communicating	Yes			
2420 Quality of Communications	Yes			
2421 Errors and Omissions	Yes			
2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'	Yes			
2431 Engagement Disclosure of Non-conformance	Yes			
2440 Disseminating Results	Yes			
2450 Overall Opinion	Yes	Annual opinion included in the Head of Audit's annual report on governance, risk and control	July 2014	Head of Audit

Standard	Conformance	Observations and actions proposed	When?	Who?
<b>2500 Monitoring Progress</b>	Yes			
<b>2600 Communicating the Acceptance of Risks</b>	Yes	Given the future resource restrictions envisaged and a review of risks, it is necessary to identify and report upon what areas will not be, or are unlikely to be, audited on a regular basis to senior managers and Audit Committee.	March 2014 (plan)  Progress reports	Head of Audit