

**Summary of Compliance against the
Public Sector Internal Audit Standards**

Section	Standard	Compliant				Total
		Yes	Partial	No	N/A	
1	Definition of Internal Auditing	3	-	-	-	3
2	Code of Ethics	13	-	-	-	13
3	Attribute Standards					
3.1	Purpose, Authority and Responsibility	23	-	-	-	23
3.2	Independence and Objectivity	28	-	1	5	34
3.3	Proficiency and Due Professional Care	18	-	-	3	21
3.4	Quality Assurance and Improvement Programme	19	-	-	8	27
4	Performance Standards					
4.1	Managing the Internal Audit Activity	44	1	-	2	47
4.2	Nature of Work	28	-	-	3	31
4.3	Engagement Planning	46	-	-	12	58
4.4	Performing the Engagement	23	-	-	-	23
4.5	Communicating Results	48	-	-	7	55
4.6	Monitoring Progress	3	-	-	1	4
4.7	Communicating the Acceptance of Risks	2	-	-	-	2
Total		298	1	1	41	341

**Public Sector Internal Auditing Standards
Action Plan – Partial Compliance**

Standard	Compliant	Comment	Action	Responsible Officer	Implementation Date
4.1 - Managing the Internal Audit Activity					
Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	Partial	The audit planning process seeks to establish other sources of assurance; however, no formal mapping exercise is undertaken.	Audit planning for 2014/15 will commence in December 2013. Internal audit will develop a formal framework to record other sources of assurance and ensure this feeds into risk assessments as part of annual planning and at an individual assignment level.	Chief Internal Auditor	February 2014

**Public Sector Internal Auditing Standards
Action Plan – No Compliance**

Standard	Compliant	Comment	Action	Responsible Officer	Implementation Date
3.2 - Independence and Objectivity					
Does the board: e) approve decisions relating to the appointment and removal of the CAE	No	The Local Authorities (Standing Orders) (England) Regulations 2001 govern procedures in respect of the appointment & dismissal of certain senior officers. By virtue that the Chief Internal Auditor reports directly to the Director of Corporate Resources this post falls within the ambit of a 'senior officer'. The County Council's Standing Orders require any Appointment Committee to comprise of at least two Executive Members	To continue to follow existing County Council Standing Orders and procedures in the appointment and dismissal of the Chief Internal Auditor	-	-

**Public Sector Internal Auditing Standards
Action Plan – Not Applicable**

Standard	Compliant	Comment	Action	Responsible Officer	Implementation Date
3.2 - Independence and Objectivity					
Have any instances been discovered where an internal auditor has used information obtained during the course of duties for personal gain?	N/A	There have been no known instances where an internal auditor has used information for personal gain	-	-	-
If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties (depending on the nature of the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)?	N/A	There have been no known instances of real or apparent impairment of independence or objectivity.	-	-	-
If there have been any assurance engagements in areas over which the CAE also has operational responsibility, have these engagements been overseen by someone outside of the internal audit activity?	N/A	The Chief Internal Auditor has no operational responsibilities outside of the internal audit function.	-	-	-
If there has been any real or apparent impairment of independence or objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
Where there have been significant additional <u>consulting</u> services agreed during the year that were not already included in the audit plan, was approval sought from the board before the engagement was accepted?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014

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3.3 - Proficiency and Due Professional Care					
Do internal auditors exercise due professional care during a consulting engagement by considering the:					
a) Needs and expectations of clients, including the nature, timing and communication of engagement results?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
b) Relative complexity and extent of work needed to achieve the engagement's objectives?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
c) Cost of the consulting engagement in relation to potential benefits?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
3.4 - Quality Assurance and Improvement Programme					
Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	N/A	The PSIAS was introduced in April 2013. There was no requirement for the results of the QAIP and progress against the improvement plan as part of the 2012/13 Annual Report and Opinion. The annual report did provide assurances of compliance with the Code.	The results of the QAIP and improvement plans will be included within the 2013/14 Annual Audit Report and Opinion.	Chief Internal Auditor	June 2014

Standard	Compliant	Comment	Action	Responsible Officer	Implementation Date
Has the CAE considered the pros and cons for the different types of external assessment (i.e. 'full' or self-assessment plus 'independent validation')?	N/A	The requirement for an external assessment (to be undertaken every 5 years) is new. The PSIAS took effect from 1 April 2013; as such there is no requirement to have completed an external assessment until 31 March 2018.	The Chief Internal Auditor will present a paper to Senior Management and the Board exploring the options, form, timing and scope of the external assessment.	Chief Internal Auditor	April 2014
Has the CAE discussed the proposed form of the external assessment and the qualifications and independence of the assessor or assessment team with the board?	N/A	The requirement for an external assessment (to be undertaken every 5 years) is new. The PSIAS took effect from 1 April 2013; as such there is no requirement to have completed an external assessment until 31 March 2018.	The Chief Internal Auditor will present a paper to Senior Management and the Board exploring the options, form, timing and scope of the external assessment.	Chief Internal Auditor	April 2014
Has the CAE agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the CFO or the chief executive?	N/A	The requirement for an external assessment (to be undertaken every 5 years) is new. The PSIAS took effect from 1 April 2013; as such there is no requirement to have completed an external assessment until 31 March 2018.	The Chief Internal Auditor will present a paper to Senior Management and the Board exploring the options, form, timing and scope of the external assessment.	Chief Internal Auditor	April 2014
Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?	N/A	The requirement for an external assessment (to be undertaken every 5 years) is new. The PSIAS took effect from 1 April 2013; as such there is no requirement to have completed an external assessment until 31	The Chief Internal Auditor will develop a formal terms of engagement for the external assessor or assessment team	Chief Internal Auditor	To be determined with Senior Management and the Board on discussion of the paper to be presented in April

Standard	Compliant	Comment	Action	Responsible Officer	Implementation Date
		March 2018.			
<p>Has the assessor or assessment team demonstrated its competence in both areas of professional practice of internal auditing and the external assessment process?</p> <p>Competence can be determined in the following ways:</p> <p>a) experience gained in organisations of similar size</p> <p>b) complexity</p> <p>c) sector (ie the public sector)</p> <p>d) industry (ie local government), and</p> <p>e) technical experience.</p> <p>Note that if an assessment team is used, competence needs to be demonstrated across the team and not for each individual member.</p>	N/A	<p>The requirement for an external assessment (to be undertaken every 5 years) is new.</p> <p>The PSIAS took effect from 1 April 2013; as such there is no requirement to have completed an external assessment until 31 March 2018.</p>	The Chief Internal Auditor will undertake due diligence checks on prospective external assessors / assessment teams to ensure credibility,, competence and independence.	Chief Internal Auditor	To be determined with Senior Management and the Board on discussion of the paper to be presented in April
How has the CAE used his or her professional judgement to decide whether the assessor or assessment team demonstrates sufficient competence to carry out the external assessment?	N/A	<p>The requirement for an external assessment (to be undertaken every 5 years) is new.</p> <p>The PSIAS took effect from 1 April 2013; as such there is no requirement to have completed an external assessment until 31 March 2018.</p>	The Chief Internal Auditor will undertake due diligence checks on prospective external assessors / assessment teams to ensure credibility,, competence and independence.	Chief Internal Auditor	To be determined with Senior Management and the Board on discussion of the paper to be presented in April
Does the assessor or assessment team have any real or apparent conflicts of interest with the organisation? This may include, but is not limited to, being a part of or under the control of the organisation to which the internal audit activity belongs.	N/A	<p>The requirement for an external assessment (to be undertaken every 5 years) is new.</p> <p>The PSIAS took effect from 1 April 2013; as such there is no requirement to have completed an external assessment until 31 March 2018.</p>	The Chief Internal Auditor will undertake due diligence checks on prospective external assessors / assessment teams to ensure credibility,, competence and independence.	Chief Internal Auditor	To be determined with Senior Management and the Board on discussion of the paper to be presented in April

Standard	Compliant	Comment	Action	Responsible Officer	Implementation Date
4.1 - Managing the Internal Audit Activity					
Are consulting engagements that have been accepted included in the risk-based plan?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation?	N/A	Internal audit is not provided by an external service provider.	-	-	-
4.2 - Nature of Work					
Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
Are internal auditors alert to other significant risks when undertaking consulting engagements?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014

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4.3 - Engagement Planning					
For consulting engagements, have internal auditors established an understanding with the engagement clients about the following:					
a) Objectives?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
b) Scope?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
c) The respective responsibilities of the internal auditors and the client and other client expectations?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
For significant consulting engagements, has this understanding been documented?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014

Standard	Compliant	Comment	Action	Responsible Officer	Implementation Date
Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
Where significant consulting opportunities have arisen during an assurance engagement, were the results of the subsequent engagement communicated in accordance with the relevant consulting Standards?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
For a consulting engagement, was the scope of the engagement sufficient to address any agreed-upon objectives?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
If the internal auditors developed any reservations about the scope of a consulting engagement while undertaking that engagement, did they discuss those reservations with the client and therefore determine whether or not to continue with the engagement?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014

Standard	Compliant	Comment	Action	Responsible Officer	Standard
During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
During consulting engagements, were internal auditors alert to any significant control issues?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
4.5 - Communicating Results					
Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following:					
a) The principle or rule of conduct of the <i>Code of Ethics</i> or <i>Standard(s)</i> with which full conformance was not achieved?	N/A	Occasion has not arisen whereby non-conformance with PSIAS has impacted on an engagement.	-	-	-
b) The reason(s) for non-conformance?	N/A	Occasion has not arisen whereby non-conformance with PSIAS has impacted on an engagement.	-	-	-
c) The impact of non-conformance on the engagement and the engagement results?	N/A	Occasion has not arisen whereby non-conformance with PSIAS has impacted on an engagement.	-	-	-

Standard	Compliant	Comment	Action	Responsible Officer	
Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014
Does the annual report incorporate the following:					
g) A statement on conformance with the PSIAS?	N/A	The PSIAS was introduced in April 2013. There was no requirement for a statement of conformance with PSIAS to be included as part of the 2012/13 Annual Report and Opinion. The annual report did provide assurances of compliance with the Code.	A statement of conformance with PSIAS a will be included within the 2013/14 Annual Audit Report and Opinion.	Chief Internal Auditor	June 2014
h) The results of the QAIP?	N/A	The PSIAS was introduced in April 2013. There was no requirement for results of the QAIP to be included as part of the 2012/13 Annual Report and Opinion.	Results of the QAIP will be included within the 2013/14 Annual Audit Report and Opinion.	Chief Internal Auditor	June 2014
i) Progress against any improvement plans resulting from the QAIP?	N/A	The PSIAS was introduced in April 2013. There was no requirement for progress against improvement plans to be included as part of the 2012/13 Annual Report and Opinion.	Progress against improvement plans will be included within the 2013/14 Annual Audit Report and Opinion.	Chief Internal Auditor	June 2014

Standard	Compliant	Comment	Action	Responsible Officer	
4.6 - Monitoring Progress					
Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	N/A	To date internal audit have not undertaken any consultancy engagements.	A consultancy protocol to be compiled in anticipation of future consultancy engagements to conform with PSIAS	Chief Internal Auditor	April 2014