

PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS) IMPROVEMENT PLAN

Reference to PSIAS	Action	Timescale:
Code of Ethics: Competency: Do Internal Auditors have regard for the on Standard of Public Life's Seven Principles of Public Life?	Awareness session with Internal Audit staff	January 2014
Attribute Standards: 1000 Purpose, authority and responsibility: Establish the responsibility of the board and also the role of the statutory officers (such as the CFO, the monitoring officer and the head of paid service) with regards to Internal Audit? Cover the arrangements for appropriate resourcing? Recognise the mandatory nature of the PSIAS?	Amendments to Internal Audit Charter and supporting documents	Audit Committee March 2014
1200 Proficiency and Due Professional Care: Does the CAE periodically assess individual auditors against the predetermined skills and competencies? Do Internal Auditors undertake a programme of continuing professional development? Do Internal Auditors maintain a record of their professional development and training activities?	Clarify process and documentation of needs and developments	March 2014
1300 Quality Assurance and Improvement Programme Has the CAE developed a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the Internal Audit activity and enables conformance with all aspects of the PSIAS to be evaluated?	Review of current process to ensure it meets the needs of	January 2014

<p>Does the QAIP assess the efficiency and effectiveness of the Internal Audit activity and identify opportunities for improvement?</p> <p>Does the QAIP include both Internal and External assessment?</p> <p>Does on-going performance monitoring include comprehensive performance targets?</p> <p>Are the periodic self-assessments or assessments carried out by people external to the Internal Audit activity undertaken by those with a sufficient knowledge of Internal Audit Practices?</p> <p>Sufficient would require knowledge of the PSIAS and the wider guidance available such as the Local Government Application Note and/or IIA practice advisories, etc.</p> <p>Has the CAE considered the pros and cons for the different types of external assessment (i.e. 'full' or self-assessment plus 'independent validation')?</p> <p>Has the CAE discussed the proposed form of the external assessment and the qualification and independence of the assessor or assessment team with the board?</p> <p>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 Chief Executive?</p> <p>Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?</p> <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>Has the CAE stated that the Internal Audit activity conforms with the PSIAS only if the results of the QAIP support this?</p> <p>Has the CAE reported any instances of non-conformance with the PSIAS to the board?</p>	<p>PSIAS</p> <p>Evaluate with others the requirements for external assessment and how to meet requirements of standards in most appropriate way</p>	<p>March 2014</p>
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Has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?		
<p>Performance standards: 2000 Managing the Internal Audit Activity:</p> <p>Does the risk-based plan take into account the organisation's assurance framework?</p> <p>Does the risk-based plan incorporate or is it linked to a strategic or high level statement of:</p> <p>a) How the Internal Audit service will be delivered?</p> <p>b) How the Internal Audit service will be developed in accordance with the Internal Audit charter?</p> <p>c) How the Internal Audit service links to organisational objectives and priorities?</p> <p>Does the risk-based plan set out how Internal Audit's work will identify and address local and national issues and risks?</p> <p>In developing the risk-based plan, has the CAE taken into account the organisation's risk management framework and relative risk maturity of the organisation?</p> <p>Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?</p> <p>Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?</p>	<p>Review IA planning process and ensure clearer link with Assurance Framework</p> <p>Consider format and content of Annual report</p>	<p>February 2014</p> <p>June 2014</p>

<p>Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependant on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board?</p> <p>2100 Nature of Work</p> <p>Does the Internal Audit activity evaluate and contribute to the improvement of the above using a systematic and disciplined approach and is this evidenced?</p> <p>Has the Internal Audit activity evaluated the:</p> <ul style="list-style-type: none"> a) design b) implementation c) effectiveness <p>Has the CAE considered the proportionality of the amount of work required to assess the ethics and information technology governance of the organisation when developing the risk-based plan?</p> <p>2120 Risk Management</p> <p>Has the Internal Audit activity evaluated the effectiveness of the organisation's risk management processes by determining that:</p> <ul style="list-style-type: none"> a) Organisational objectives support and align with the organisation's mission? <p>Has the Internal Audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the:</p> <ul style="list-style-type: none"> a) Achievement of the organisation's strategic objectives? 	<p>Amend audit brief and work programme to include this.</p> <p>Include in 2014/15 plan</p> <p>Include in 2014/15 plan</p> <p>Include in 2014/15 plan</p>	<p>January 2014</p> <p>March 2014</p> <p>March 2014</p> <p>March 2014</p>
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<p>b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?</p> <p>Has the Internal Audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the:</p> <p>a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?</p> <p>2400 Communicating Results:</p> <p>Do Internal Auditors report that engagements are '<i>conducted in conformance with the PSIAS</i>' only if the results of the QAIP support such a statement?</p> <p>2431 Engagement Disclosure of Non-conformance</p> <p>Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following:</p> <p>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? b) The reason(s) for non-conformance? c) The impact of non-conformance on the engagement and the engagement results?</p>	<p>Amended audit brief and report format</p> <p>Include additional section in audit reports</p>	<p>April 2014</p> <p>January 2014</p>
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