

Public Sector Internal Audit Standards Action Plan Progress

Attribute Standards	Action	Progress
<p>1000 Purpose, Authority and Responsibility</p> <p>That the purpose, authority and responsibility of the internal audit activity have been properly defined consistent with the PSIAS, formally approved in an internal audit charter and periodically reviewed.</p>	<p>Update the Audit Charter and submit to the Audit Committee for review and approval.</p>	<p>Complete.</p> <p>An updated Audit Committee Charter will be presented to the January 2020 Audit Committee.</p>
<p>1110 Organisational Independence</p> <p>The chief audit executive must report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities. The organisation should take adequate steps to safeguard the independence of the CAE by ensuring that remuneration or performance assessment is not inappropriately influenced by those subject to audit.</p>	<p>At least annually the Chief Executive and/or the Chair of the Audit Committee will be provided with an opportunity to review and comment on the CAE's Performance Development Review.</p>	<p>Complete.</p> <p>The updated Audit Committee Charter now stipulates the Chair of the Audit Committee will be invited to contribute to the CAE's performance review at least annually.</p>
<p>1130 Impairment to Independence or Objectivity</p> <p>The internal audit activity may provide assurance services where it had previously performed consulting services, provided the nature of the consulting does not impair</p>	<p>Document in the audit manual how the risk of over-familiarity will be managed and ensure the management of this risk is documented on each audit file.</p>	<p>In progress.</p> <p>Target date: 31 March 2020</p>

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<p>objectivity and provided individual objectivity is managed when assigning resources to the engagement.</p>		
<p>1220 Due Professional Care</p> <p>Internal auditors must exercise due professional care during a consulting engagement by considering the:</p> <ul style="list-style-type: none"> • Needs and expectations of clients, including the nature, timing and communication of engagement results • Relative complexity and extent of work needed to achieve the engagement's objectives, and • Cost of the consulting engagement in relation to potential benefits. 	<p>All consulting engagements to be agreed and documented through an engagement plan.</p>	<p>Complete.</p> <p>Whilst no consulting engagements have been accepted since November 2019. Going forward all consulting engagements will be agreed and documented through an engagement plan.</p>
<p>1300 Quality Assurance and Improvement Programme</p> <p>The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.</p>	<p>Instigate a full Quality Assurance and Improvement Programme ensuring the results and progress against any action plans are reported to CLT and the Audit Committee.</p>	<p>In progress.</p> <p>Target date: 31 March 2020</p>
Performance Standards	Action	Progress

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<p>2010 Planning</p> <p>The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually.</p>	<p>Ensure that future risk-based plans explain and document how internal audit's work will identify and address local and national issues and risks.</p>	<p>In progress.</p> <p>The 2020/21 annual internal audit and counter fraud plan will document how internal audit's work will identify and address local and national issues and risks.</p> <p>Target date: 30 April 2020</p>
<p>2030 Resource Management</p> <p>The chief audit executive must ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.</p>	<p>Future audit plans should include a comprehensive assessment of the adequacy of resources. Where resources are insufficient a clear plan to address the resource shortfall should be agreed with senior management and the Audit Committee.</p>	<p>In progress.</p> <p>This will be covered in the 2020/21 annual internal audit and counter fraud plan.</p> <p>Target date: 30 April 2020</p>

Performance Standards	Action	Progress
<p>2040 Policies and Procedures</p> <p>The chief audit executive must establish policies and procedures to guide the internal audit activity.</p>	<p>Review the audit manual and the electronic audit management system (Galileo) to ensure both reflect current working practices and standards.</p>	<p>In progress.</p> <p>We are experience significant performance issues with Galileo at presented and are working with the provider and IT to resolve.</p> <p>Target date: 31 March 2020</p>
<p>2050 Coordination</p> <p>The chief audit executive should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts.</p>	<p>The CAE should have a clear understanding of the scope, objectives and results of the work performed by other providers of assurance and consulting services within the Council.</p> <p>To that end the CAE should develop an approach to assessing other assurance providers, map the work of any other assurance providers against planned activity and where appropriate coordinate and place reliance on the work of those providers through regular meetings.</p>	<p>In progress.</p> <p>Target date: 30 April 2020</p>

Performance Standards	Action	Progress
<p>2110 Governance</p> <p>The internal audit activity must assess and make appropriate recommendations to improve the organisation's governance processes.</p> <p>The internal audit activity must evaluate the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities.</p> <p>The internal audit activity must assess whether the information technology governance of the organisation supports the organisation's strategies and objectives.</p>	<p>Undertake an authority wide audit of Corporate Governance.</p> <p>Internal Audit must evaluate the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities.</p> <p>Internal Audit must review whether the organisation's information technology governance supports the organisation's strategies and objectives.</p>	<p>In progress.</p> <p>Audits of corporate governance and IT strategy/governance are programmed for 2019/20.</p> <p>Original target date: 31 March 2020.</p> <p>Revised Target: 31 July 2020</p>
<p>2201 Engagement Planning</p> <p>Internal auditors must establish an understanding with consulting engagement clients about objectives, scope, respective responsibilities and other client expectations. For significant engagements, this understanding must be documented.</p>	<p>An engagement plan must be issued for every consultancy engagement.</p>	<p>Complete.</p> <p>Whilst no consulting engagements have been accepted since November 2019. Going forward all consulting engagements will be agreed and documented through an engagement plan.</p>

Performance Standards	Action	Progress
<p>2210 Engagement Objectives</p> <p>Adequate criteria are needed to evaluate governance, risk management and controls. Internal auditors must ascertain the extent to which management and/or the board has established adequate criteria to determine whether objectives and goals have been accomplished. If adequate, internal auditors must use such criteria in their evaluation. If inadequate, internal auditors must identify appropriate evaluation criteria through discussion with management and/or the board.</p> <p>Types of criteria may include internal policies and procedures, laws and regulations imposed by statutory bodies and leading practices (e.g. industry and professional guidance).</p> <p>Consulting engagement objectives must address governance, risk management and control processes to the extent agreed upon with the client.</p> <p>Consulting engagement objectives must be consistent with the organisation's values, strategies and objectives.</p>	<p>Internal auditors must identify appropriate evaluation criteria through discussion with management and/or the board. The criteria should be documented in the engagement plan and audit file.</p> <p>An engagement plan must be issued for every consultancy engagement and the objectives set for consulting engagements must be consistent with the organisation's values, strategies and objectives and address governance, risk management and control processes as agreed with the client.</p> <p>The results of the subsequent engagement must be consistently communicated to senior management and the board.</p>	<p>Partially complete.</p> <p>Whilst no consulting engagements have been accepted since November 2019. Going forward all consulting engagements will be agreed and documented through an engagement plan and the results will be communicated to senior management and the board.</p> <p>The audit manual is currently being reviewed to ensure it reflects expectations on auditors to identify appropriate evaluation criteria through discussion with management and/or the board.</p> <p>31 March 2020</p>

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<p>2440 Disseminating Results</p> <p>During consulting engagements, governance, risk management and control issues may be identified. Whenever these issues are significant to the organisation, they must be communicated to senior management and the board.</p>	<p>The outcomes of consultancy engagements should be reported to senior management and the board in a consistent format. Report recipients should be advised that the outcome of consultancy engagements may still be used to inform the annual opinion. Furthermore, managements implementation of recommendations arising from consultancy engagements should be monitored and reported by Internal Audit.</p>	<p>Complete.</p> <p>Whilst no consulting engagements have been accepted since November 2019. Going forward all consulting engagements will be agreed and documented through an engagement plan and the results will be communicated to senior management and the board.</p>
<p>2450 Overall Opinion</p> <p>When an overall opinion is issued, it must take into account the strategies, objectives and risks of the organisation and the expectations of senior management, the board and other stakeholders. The overall opinion must be supported by sufficient, reliable, relevant and useful information.</p>	<p>The annual report and opinion should incorporate all the elements recommended by the standards and application note.</p>	<p>In progress.</p> <p>The format of the 2019/20 will be reviewed and aligned to the recommendations made in the Standards and application note. The report will be presented to the Committee in July 2020.</p> <p>31 July 2020.</p>

Performance Standards	Action	Progress
<p>2500 Monitoring Progress</p> <p>The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.</p>	<p>Review the processes for monitoring and reporting management's implementation of agreed actions and ensure the results are regularly reported to senior management and the Audit Committee.</p>	<p>In progress.</p> <p>31 March 2020.</p>