

**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	1 Code of Ethics	13	-	-	-	13
3	Attribute Standards					
3.1	Purpose, Authority and Responsibility	23	-	-	-	23
3.2	Independence and Objectivity	30	-	1	3	34
3.3	Proficiency and Due Professional Care	21	-	-	-	21
3.4	Quality Assurance and Improvement Programme	19	-	-	8	27
4	Performance Standards					
4.1	Managing the Internal Audit Activity	46	1	-	-	47
4.2	Nature of Work	31	-	-	-	31
4.3	Engagement Planning	58	-	-	-	58
4.4	Performing the Engagement	23	-	-	-	23
4.5	Communicating Results	49	-	-	6	55
4.6	Monitoring Progress	4	-	-	-	4
4.7	Communicating the Acceptance of Risks	2	-	-	-	2
Total		322	1	1	17	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 Chief Audit Executive 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					
<p>Does the board: e) approve decisions relating to the appointment and removal of the Chief Audit Executive</p>	No	<p>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</p>	<p>To continue to follow existing County Council Standing Orders and procedures in the appointment and dismissal of the Chief Internal Auditor</p>	-	-

**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 Chief Audit Executive 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 Chief Audit Executive 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.	-	-	-
3.4 - Quality Assurance and Improvement Programme					
Has the Chief Audit Executive included the results of the Quality Assurance and Improvement Programme and progress against any improvement plans in the annual report?	N/A	The Public Sector Internal Audit Standards were introduced in April 2013.	Results of the Quality Assurance and Improvement Programme to 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 Chief Audit Executive considered the pros and cons for the different types of external assessment (i.e. 'full' or self-assessment plus 'independent validation')?	N/A	<p>The requirement for an external assessment (to be undertaken every 5 years) is new.</p> <p>The Public Sector Internal Audit Standards 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 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 Chief Audit Executive discussed the proposed form of the external assessment and the qualifications and independence of the assessor or assessment team with the board?	N/A	<p>The requirement for an external assessment (to be undertaken every 5 years) is new.</p> <p>The Public Sector Internal Audit Standards 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 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

Standard	Compliant	Comment	Action	Responsible Officer	Implementation Date
Has the Chief Audit Executive agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the Chief Finance Officer or the chief executive?	N/A	<p>The requirement for an external assessment (to be undertaken every 5 years) is new.</p> <p>The Public Sector Internal Audit Standards 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 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 Chief Audit Executive agreed the scope of the external assessment with the external assessor or assessment team?	N/A	<p>The requirement for an external assessment (to be undertaken every 5 years) is new.</p> <p>The Public Sector Internal Audit Standards 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 develop a formal terms of engagement for the external assessor or assessment team	Chief Internal Auditor	To be determined in discussion with Senior Management and the Board following the paper to be presented in April 2014

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<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> <ul style="list-style-type: none"> • experience gained in organisations of similar size • complexity • sector (ie the public sector) • industry (ie local government), and • technical experience. <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 Public Sector Internal Audit Standards took effect from 1 April 2013; as such there is no requirement to have completed an external assessment until 31 March 2018.</p>	<p>The Chief Internal Auditor will undertake due diligence checks on prospective external assessors / assessment teams to ensure credibility, competence and independence.</p>	Chief Internal Auditor	<p>To be determined in discussion with Senior Management and the Board following the paper to be presented in April 2014</p>
<p>How has the Chief Audit Executive used his or her professional judgement to decide whether the assessor or assessment team demonstrates sufficient competence to carry out the external assessment?</p>	N/A	<p>The requirement for an external assessment (to be undertaken every 5 years) is new.</p> <p>The Public Sector Internal Audit Standards took effect from 1 April 2013; as such there is no requirement to have completed an external assessment until 31 March 2018.</p>	<p>The Chief Internal Auditor will undertake due diligence checks on prospective external assessors / assessment teams to ensure credibility, competence and independence.</p>	Chief Internal Auditor	<p>To be determined in discussion with Senior Management and the Board following the paper to be presented in April 2014</p>

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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 Public Sector Internal Audit Standards 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 in discussion with Senior Management and the Board following the paper to be presented in April 2014
4.5 - Communicating Results					
Where any non-conformance with the Public Sector Internal Audit Standards 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 has impacted on an engagement.	-	-	-
b) The reason(s) for non-conformance?	N/A	Occasion has not arisen whereby non-conformance has impacted on an engagement.	-	-	-

Standard	Compliant	Comment	Action	Responsible Officer	Implementation Date
c) The impact of non-conformance on the engagement and the engagement results?	N/A	Occasion has not arisen whereby non-conformance has impacted on an engagement.	-	-	-
Does the annual report incorporate the following:					
g) A statement on conformance with the Public Sector Internal Audit Standards?	N/A	The Public Sector Internal Audit Standards were introduced in April 2013.	A statement of conformance with the Public Sector Internal Audit Standards will be included within the 2013/14 Annual Audit Report and Opinion.	Chief Internal Auditor	June 2014
h) The results of the Quality Assurance and Improvement Plan?	N/A	The Public Sector Internal Audit Standards were introduced in April 2013.	Results of the Quality Assurance and Improvement Plan 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 Quality Assurance and Improvement Plan?	N/A	The Public Sector Internal Audit Standards were introduced in April 2013.	Progress against improvement plans will be included within the 2013/14 Annual Audit Report and Opinion.	Chief Internal Auditor	June 2014