



Northumberland County Council

Public Sector Internal Audit Standards: Summary of Conformance (January 2023)

The Local Government Application Note which accompanies the Public Sector Internal Audit Standards includes a checklist for local authority Internal Audit providers to assess their conformance to the requirements of the Public Sector Internal Audit Standards.

Each Standard includes a number of requirements and for each requirement, there is the ability to state whether there is conformance, partial conformance or non-conformance.

Of the 324 individual questions in the checklist, 21 refer to arrangements which are not currently applicable to the work undertaken by the Internal Audit service. For the remaining 303 requirements, the self-assessment has demonstrated a high level of conformance, summarised in the table below:

'Conforms'	289	95.4%
'Partial'	13	4.3%
'Not Conforming'	1	0.3%
Total	303	100%

For those questions where 'Partial' or 'Not conforming' has been judged, a corresponding action has been identified. These actions will be progressed as a matter of priority and progress will be reported to Audit Committee and senior management within the next six months.

The table below provides a summary of the self-assessment judgement of the requirements of the Public Sector Internal Audit Standards, against each Standard.

Standard	Overall Level of Conformance	Comments
Mission of Internal Audit	Fully Conforms	1 question, self-assessed as 'Conforms'.
Definition of Internal Auditing	Fully Conforms	2 questions, both self-assessed as 'Conforms'.
Core Principles	Fully Conforms	10 questions, relating to core principles such as independence, competence and due professional care, resourcing and position within the organisation, communication. All 10 questions self-assessed as 'Conforms'.
Code of Ethics	Fully Conforms	13 questions, relating to integrity, objectivity, confidentiality, competency and the Seven Principles of Public Life. All 13 questions self-assessed as 'Conforms'.
Attribute Standard 1000 – Purpose, Authority and Responsibility	Conforms	20 questions, relating to purpose, authority and responsibility, and the contents of the internal audit charter. 19 questions self-assessed as 'Conforms'. 1 question self-assessed as 'Partial' with an action identified to make details of assurance services provided to external parties explicit within the Internal Audit Charter when next revised.
Attribute Standard 1100 – Independence and Objectivity	Conforms	36 questions, relating to organisational independence, direct interaction with the Board, additional responsibilities of the Chief Internal Auditor beyond Internal Audit, individual objectivity and impairment to independence or objectivity. 32 questions self-assessed as 'Conforms'. 4 questions not applicable.
Attribute Standard 1200 – Proficiency and Due Professional Care	Fully Conforms	21 questions, relating to proficiency, due professional care, skills, qualifications, and capability. All 21 questions self-assessed as 'Conforms'. However, an action has been identified relating to plans to formalising the use of computer-assisted audit techniques and automating audit processes where possible.
Attribute Standard 1300 – Quality Assurance and Improvement Programme	Conforms	33 questions, relating to the Quality Assurance and Improvement Programme, internal assessments, external assessments, reporting on the QAIP, stating that the service conforms with PSIAS requirements, and disclosure of non-conformance. 23 questions self-assessed as 'Conforms'. 3 questions not applicable. 7 questions self-assessed as 'Partial'

Standard	Overall Level of Conformance	Comments
		with actions identified relating to developing and agreeing a comprehensive set of service targets in addition to those used, using performance monitoring against targets to contribute to quality improvement more comprehensively, and ensuring that the results of the QAIP (and particularly internal assessments) and progress against improvement plans are reported to senior management and Audit Committee in accordance with the requirements of the QAIP developed.
Performance Standard 2000 – Managing the Internal Audit Activity	Conforms	40 questions, relating to planning, communication and approval, resource management, policies and procedures, coordination, and reporting to senior management and the Board. 37 questions self-assessed as 'Conforms'. 3 questions not applicable.
Performance Standard 2100 – Nature of Work	Conforms	29 questions, relating to governance, risk management, and control. 28 questions self-assessed as 'Conforms'. 1 question self-assessed as 'Partial' with actions identified to codify internal audit's activity relating to evaluation of 'the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities'.
Performance Standard 2200 – Engagement Planning	Conforms	51 questions, relating to engagement planning, engagement objectives, engagement scope, engagement resource allocation and engagement work programme. 44 questions self-assessed as 'Conforms'. 4 questions self-assessed as not applicable. 3 questions self-assessed as 'Partial' with actions identified to formalise arrangements within audit assignments to 'evaluate and report on whether management have established adequate criteria to evaluate and determine whether organisational objectives and goals have been accomplished'.
Performance Standard 2300 – Performing the Engagement	Fully Conforms	15 questions, relating to identifying information, analysis and evaluation, documenting information, and engagement supervision. All 15 questions self-assessed as 'Conforms'.

Standard	Overall Level of Conformance	Comments
Performance Standard 2400 – Communicating Results	Conforms	<p>47 questions, relating to criteria for communicating, quality of communications, errors and omissions, use of 'kite mark' statements by the service, engagement disclosure of non-conformance, disseminating results, and overall opinion.</p> <p>41 questions self-assessed as 'Conforms'. 5 questions not applicable. 1 question self-assessed as 'Not conforming', with an action identified relating to including details of progress against improvement plans resulting from the QAIP within the annual overall opinion report.</p>
Performance Standard 2500 – Monitoring Progress	Conforms	<p>4 questions.</p> <p>3 questions self-assessed as 'Conforms'. 1 question self-assessed as 'Partial' with actions identified relating to seeking client feedback from consulting engagements. Action has already been taken but is not yet embedded within the service.</p>
Performance Standard 2600 – Communicating the Acceptance of Risk	N/A	2 questions – both questions not applicable.