

Public Sector Internal Audit Standards – Update on Improvement Actions

In summary, the Public Sector Internal Audit Standards include a number of requirements and the self-assessment provides for the ability to state whether there is ‘conformance’, ‘partial conformance’ or ‘non-conformance’. The self-assessment checklist contains 324 individual questions and of these, 21 refer to arrangements which are not currently applicable to us. Of the remaining 303 questions, the self-assessment completed and reported to Audit Committee in January 2023 demonstrated a high level of conformance as follows:

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

For those questions which were self-assessed as ‘partial’ or ‘not conforming’ in January 2023, actions were identified to address these. All actions are either in progress or have been implemented. A current position on implementation is summarised below:

Standard	Summary from self-assessment reported to Audit Committee in January 2023	Update as at November 2023
Attribute Standard 1000 – Purpose, Authority and Responsibility	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.	Revised Audit Charter drafted, incorporating required wording in addition to necessary amendments following restructure. Revised Audit Charter will be agreed with EMT and Audit Committee, once external assessment is concluded.
Attribute Standard 1200 – Proficiency and Due Professional Care	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 formalise the use of computer-assisted audit techniques and automating audit processes where possible.	Identified as an action to be implemented during 2023/24. Work is already in progress. Audits have been identified to pilot a different approach using data analytical tools and these are in preparation. We also have team members registered for the Data Academy, including the key team member leading on implementation of this objective.

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Attribute Standard 1300 – Quality Assurance and Improvement Programme (QAIP)	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’ 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.	<p>A comprehensive set of service targets has been drafted to add to those targets already in use.</p> <p>Targets have been built into formalised monitoring within the service and incorporated into the requirements of the QAIP agreed in January 2023.</p> <p>Required reporting has commenced with the 2022/23 Annual Opinion Report, reported to Audi Committee in July 2023. will be implemented in full. All required reporting will be implemented moving forwards, including providing Executive Team with suitable updates as part of regular Internal Audit updates.</p>
Performance Standard 2100 – Nature of Work	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’.	Initial work on ‘ethical governance’, reflecting the initial impact of the Independent Governance Review, currently nearing completion. Once initial work is finalised with the Monitoring Officer, we will consider and implement this fully with further work undertaken during 2024/25.
Performance Standard 2200 – Engagement Planning	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	Corporate Performance Management was scheduled to be reviewed during 2022/23, however following actions agreed in response to the Independent Governance Review in June 2022 and the intention to update the Council’s Corporate Plan, this work has now

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	whether management have established adequate criteria to evaluate and determine whether organisational objectives and goals have been accomplished’.	been included within Internal Audit’s plan of work for 2023/24 and is due to commence. Whilst performance management is considered within individual audit assignments, we are continually exploring how we make this aspect of our work and subsequent reporting more formalised and explicit as appropriate.
Performance Standard 2400 – Communicating Results	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. 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.	This was implemented as part of the 2022/23 Annual Opinion Report reported to Audit Committee in July 2023. All future reporting to Audit Committee now adapted accordingly.
Performance Standard 2500 – Monitoring Progress	4 questions. 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.	Implemented.