

Internal Audit –Assessing Conformance with PSIAS and the Local Government Application Note.	14 June 2017
Audit Committee	For Information

Linkage to Council Strategy (2015-19)	
Strategic Theme	Leader and Champion/Protecting and Enhancing our Assets
Outcome	
Lead Officer	Director of Performance
Cost: (If applicable)	

1.0 Introduction

- 1.1. The Public Sector Internal Audit Standards (PSIAS) apply to all internal audit service providers, whether in house, shared services or outsourced.
- 1.2. The objectives of the PSIAS are to:
- Define the nature of internal auditing within the UK public sector
 - Set basic principles for carrying out internal audit in the UK public sector
 - Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations, and
 - Establish the basis for the evaluation of internal audit performance and to drive improvement planning.

2.0 Assessment

- 2.1 Moore Stephens and in house Internal Audit, have developed and completed a checklist for assessing conformance with the PSIAS and the Local Government Application Note, which demonstrates compliance. This follows the recommended checklist provided in the CIPFA Local Government Application Note for the UK Public Sector Internal Audit Standards (PSIAS), 2013.

3.0 Detail of the Checklist

The checklist covers the following areas:

3.1 *Definition of Internal Auditing*

3.2 *Code of Ethics*

3.2.1 Integrity

3.2.2 Objectivity

3.2.3 Confidentiality

3.2.4 Competency

3.3 *Attributable Standards*

3.3.1 Purpose, Authority and Responsibility

3.3.2 Independence and Objectivity

3.3.3 Proficiency and Due Professional Care

3.3.4 Quality Assurance and Improvement Programme

3.4 *Performance Standards*

3.4.1 Managing the Internal Audit Activity

3.4.2 Nature of Work

3.4.3 Engagement Planning

3.4.4 Performing the Engagement

3.4.5 Communicating the Results

3.4.6 Monitoring Progress

3.4.7 Communicating the Acceptance of Risks

A detailed completed copy of the checklist is available on request.