

Public Sector Internal Audit Standards – Quality Assurance and Improvement Programme

Tendring District Council – Self Assessment – April 2022

PSIAS Ref (Checklist Ref)	Conformance with the Standard	Comment	Priority	Action Required / Responsible Officer / Date	Status
Core Principles					
Provides Risk Based Assurance	Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by providing risk-based assurance, based on adequate risk assessments?	The Internal Audit Team undertakes audits based on the risk matrix set by Internal Audit and agreed by the Audit Committee. However, the risk matrices for Internal Audit and Risk Management are not fully aligned due to differences in operational and strategic risk assessments therefore there are some occasions where there may be a difference of opinion on risk assessments undertaken between departments and Internal Audit.	High	To work with the Risk Manager, Senior Management and the Audit Committee to get a better understanding of the Councils risk appetite and better align the risk matrices between Internal Audit and Risk Management Craig Clawson September 2022	Partially compliant

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Code of Ethics					
Competency	<p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display competence by:</p> <ul style="list-style-type: none">• Only carrying out services for which they have the necessary knowledge, skills and experience?• Performing services in accordance with the PSIAS?• Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?	<p>The Internal Audit Team is made up of two experienced Senior Officers and one training Auditor therefore it is not always possible to ensure that all Audits are carried out by Officers with adequate skills, knowledge and experience. However, all audits will have been supervised by a senior officer and quality checked prior to completion. We try to ensure that all members of the team are given as much training as possible in the areas that it is felt most needed through our performance management process.</p>	Low	<p>Role requires continuous training to ensure auditors perform at highest level of competency and use latest industry knowledge and techniques. Because of this, this will likely stay Partial on an ongoing basis.</p> <p>Craig Clawson</p> <p>Ongoing</p>	Partially compliant

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Attribute Standards					
Independence and Objectivity					
1130 Impairment of Independence or Objectivity	Is the risk of over-familiarity or complacency managed effectively: for example by rotating assignments for ongoing assurance engagements and other audit responsibilities periodically within the internal audit team?	As we are a small team we aren't always able to rotate Auditors as regularly as we would like and therefore the risk of familiarity is always a factor. However, there are enough independent assessments throughout the audit process to ensure that all Auditors have not been bias and have carried out their role as independently and objectively as possible.	Low	No action required. It is felt that enough mitigating controls are in place to reduce the risk.	Sufficiently compliant
1130 Impairment of Independence or Objectivity	Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the board before the engagement was accepted?	Where a material number of days are required for Internal Audit to provide consultancy services the Audit Committee are updated and a change to the Audit Plan is requested. If resource is required to support a service through consultancy which does not have a material effect on the Audit Plan then the Internal Audit Manager will approve the work to support the service using days already agreed within the Audit Plan.	Low	No action required. It is felt that enough mitigating controls are in place to reduce the risk.	Sufficiently compliant

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Proficiency and Due Professional Care					
1210 Proficiency	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	Although auditors aware of fraud risk and have had previous ad hoc training, there has been nothing recent of substance	Low	Fresh training to be explored and ongoing updates to be provided Craig Clawson September 2022	Partially compliant
1210 Proficiency	Do internal auditors have sufficient knowledge of key information technology risks and controls?	As above. We also have access to third party Internal Audit Services that can offer specific IT audits if required.	Low	No action required. It is felt that enough mitigating controls are in place to reduce the risk.	Sufficiently compliant
1210 Proficiency	Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques?	As above. We have also changed the way in which we work over the past couple of years to ensure that assisted audit techniques and data analysis become fundamental to audits we undertake.	Low	No action required. It is felt that enough mitigating controls are in place to reduce the risk.	Sufficiently compliant

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Performance Standards					
Managing the Internal Audit Activity					
2040 Policies and Procedures	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	<p>The Audit Manual has not been reviewed and updated since 2017.</p> <p>The vast majority of the manual remains relevant, but there are some sections which need reviewing (software sections, for example) and amending.</p>	Low	<p>Manual to be reviewed and updated to ensure it reflects current working practices and remains in accordance with PSIAS</p> <p>Craig Clawson</p> <p>September 2022</p>	Partially compliant