

Agenda Item	5
Report No	AS/17/14

Compliance with the Public Sector Internal Audit Standards – Action Plan

Report by Head of Internal Audit & Risk Management

Summary

This report refers to a report to the completion of an action plan to demonstrate how the Internal Audit Section is proposing to comply with the requirements of the Public Sector Internal Audit Standards (PSIAS).

1. Introduction

- 1.1 From 1st April 2013, new Public Sector Internal Audit Standards, hereafter referred to as “the Standards,” came into effect which were developed by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA). The Standards have replaced the 2006 CIPFA Code of Practice for Internal Audit in Local Government as the mandatory guidance.
- 1.2 The Standards are intended to promote further improvement in the professionalism, quality and effectiveness of internal audit across the public sector. They reaffirm the importance of robust, independent and objective internal audit arrangements to provide senior management and the Audit & Scrutiny Committee with the key assurances they need to support them both in managing the organisation and in producing the Annual Corporate Governance Statement.
- 1.3 There is a new requirement that the Head of Internal Audit & Risk Management includes a statement on conformance with the Standards within his annual report. In addition, Audit Scotland considers the level of conformance when seeking to rely on Internal Audit work and comments on this within their Annual Report to Members.
- 1.4 The Local Authority Accounts (Scotland) Regulations, which come into force on 10th October 2014, require local authorities to operate a professional and objective internal audit service. The Regulations state that this service must be provided in accordance with the Standards.
- 1.5 CIPFA has prepared a Local Government Application Note and a Checklist for Assessing Conformance with the Standards in order to evaluate the effectiveness of Internal Audit’s performance. The Checklist, which contains 334 best practice questions, was reported to the Audit & Scrutiny Committee on 19th June and showed the following results:

	Number	%
Compliance with Standard	253	76%
Partial compliance with Standard	48	14%
Non-compliance with Standard	33	10%
	334	100%

2. Action Plan

2.1 Since the Audit & Scrutiny Committee meeting on 19th June, an action plan has been compiled which is provided at **Appendix 1**. This shows that various actions have been taken to date including the following:

(i) Internal Audit Charter:

Although an Audit Charter is in place which defines Internal Audit's purpose, authority and responsibility, the Standards require further detail in various areas. The Charter has therefore been revised in order to accommodate all of the Standards' requirements and is provided as a separate agenda item to this Committee.

(ii) Internal Quality Assessment:

The Standards require that a Quality Assurance & Improvement Programme (QAIP) is in place providing for both internal and external assessments. Although the QAIP has yet to be developed an internal assessment of the Internal Audit Section's compliance with the Standards has been undertaken and was reported to the previous meeting of this Committee.

(iii) Engagement Planning

With regard to the planning of individual audit assignments or engagements, "Terms of Reference" are currently issued to the respective client officer. In order to comply with the Standards additional detail has been added to the Terms of Reference to better guide staff in their duties and to better inform the client officer as to the assignment concerned.

(iv) Document Retention

The Standards require retention periods for the various types of audit records to be clearly defined. In order to comply with this requirement a retention policy has been prepared and documents outwith the policy have been destroyed.

2.2 The completion of the above actions has raised the overall level of compliance with the Standards from 76% to 86% as set out in the table at the foot of appendix 1.

2.3 The following are the key actions which are scheduled for completion by the end of this financial year:

(i) Internal Audit Manual

A comprehensive Internal Audit Manual is in place to guide staff in all matters relating to the performance of individual audit assignments and on wider matters including the process for compiling the Annual Audit Plan. However, as a result of the PSIAS requirements, additional guidance needs to be provided within the Manual. This action is scheduled for completion by the end of December 2014.

(ii) Quality Assurance and Improvement Programme (QAIP)

The Standards QAIP is developed which covers all aspects of the internal audit activity and enables conformance with all aspects of the Standards to be evaluated. The completion of this action plan is an important element of the QAIP as are the various performance targets and measures that are currently in place to monitor Internal Audit's activities. However, as yet, these haven't been formally set out in a QAIP document. The QAIP will be completed by the end of December 2014 and will be reported to the Audit &

Scrutiny Committee in March 2015.

(iii) 2015/16 Audit Plan

Although robust processes are in place to compile the Audit Plan which have, to date, complied with the previous Cipfa Standards, the PSIAS have some additional requirements, including:

- Identifying the respective priorities of each audit assignment.
- Setting out the approach to using other sources of assurance.
- Linking the Plan to the Council's organisational objectives and priorities.

2.4 A further report will be provided to this Committee in March 2014, assessing the level of compliance to date and identifying the actions still to be progressed.

3. Implications

3.1 Risk implications - The risks of not adhering to the Standards are as follows:

- The inability of the Head of Internal Audit & Risk Management to confirm compliance with the Standards within the annual Internal Audit report;
- Non-compliance with the Local Authority Accounts (Scotland) Regulations 2014;
- The inability for Audit Scotland to rely on Internal Audit work

3.2 There are no resource, legal; equalities; climate change/carbon clever, rural and Gaelic implications as a direct result of this report.

Recommendation

Members are asked to:

- (i) Note the actions which have been identified to address the areas of partial compliance and non-compliance together with the respective target dates.
- (ii) Note the actions taken since the previous meeting on 19th June which have now led to the achievement of an 86% compliance rate.
- (iii) Note that the current areas of partial compliance or non-compliance do not impact significantly on the ability to demonstrate overall compliance with the Standards.
- (iv) Note that a further report will be presented to the meeting in March 2015 detailing the remaining actions required to achieve full compliance.

Designation: Head of Internal Audit & Risk Management

Date: 29th August 2014

Author: Nigel Rose, Head of Internal Audit & Risk Management

Standards	P	N	Status	Action Required	Target Date
Attribute Standards					
1000 Purpose, Authority and Responsibility					
Does the internal audit charter:					
b) Establish the CAE's functional reporting relationship with the board?	✓		Requires clarity within the Charter that the CAE reports in own name to the A&S Committee. Also clarity within the Charter as to what the A&S Committee should approve (as provided within the Scheme of Delegation)	Revision Charter to Audit	Completed
c) Establish the accountability, reporting line and relationship between the CAE and those to whom the CAE may report administratively?	✓		The Standards require the Charter to set out who the CAE reports to functionally and administratively. Further clarification is required within the Charter	Revision Charter to Audit	Completed
d) Establish the responsibility of the board and also the role of the statutory officers (such as the CFO, the monitoring officer and the head of paid service) with regards to internal audit?	✓		The responsibilities of the A&S Committee are set out in the Scheme of Delegation but not the Charter. There is no reference to the roles of the statutory officers with regard to internal audit	Revision Charter to Audit	Completed
g) Recognise that internal audit's remit extends to the entire control environment of the organization?	✓		The Charter refers to "the Council's control environment." Clarify further	Revision Charter to Audit	Completed
i) Establish the organisational independence of internal audit?	✓		The Charter refers to the CAE having direct access and freedom to report to the CX and senior management. Clarity required that CAE reports in own name to Directors and A&S Committee but reports administratively to the Director of Finance	Revision Charter to Audit	Completed
j) Cover the arrangements for appropriate resourcing?	✓		The Charter requires the CAE to report on progress against the audit plan to be reported to the A&S Committee. Such progress reports are provided which refer to any resourcing issues	Revision Charter to Audit	Completed
k) Define the role of internal audit in any fraud- related	✓		The Charter refers to the investigation of "any suspected fraud or irregularity." Further	Revision Charter to Audit	Completed

Standards	P	N	Status	Action Required	Target Date
work?			clarification required		
l) Set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?	✓		Such policies exist but they are not referred to within the Charter	Revision to Audit Charter	Completed
m) Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?	✓		No reference to assurances provided to parties outside the organisation	Revision to Audit Charter	Completed
n) Define the nature of consulting services?	✓		Reference is made to the consultancy role of Internal Audit but further explanation is required	Revision to Audit Charter	Completed
p) Recognise the mandatory nature of the PSIAS?	✓		The Charter makes explicit reference to the PSIAS and states that the PSIAS require a Charter. Further explanation required in the Charter that the PSIAS are mandatory	Revision to Audit Charter	Completed
1100 Independence and Objectivity					
Are threats to objectivity identified and managed at the following levels:					
a) Individual auditor?	✓		All audit staff responsible for declaring any conflicts of interest through Declaration of Independence forms. Suggest that this is considered annually as part of Employee Review & Development process	Revision to Audit Charter Audit Manual to be updated	Completed December 2014
b) Engagement?	✓		See above	Revision to Audit Charter requiring that any potential conflict is identified when compiling the Audit Plan Audit Manual to be updated	Completed December 2014
1110 Organisational Independence					
Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?		✓		Revision to Audit Charter	Completed

Standards	P	N	Status	Action Required	Target Date
1120 Individual Objectivity					
Do internal auditors avoid any conflict of interest, whether apparent or actual?	✓		Audit Manual provides appropriate guidance and assignments are rotated as far as possible to avoid over-familiarity. Declaration of Independence forms are completed by all audit staff. It is recognised that these need to be updated annually.	Revision to Audit Charter Audit Manual to be updated	Completed December 2014
1200 Proficiency and Due Professional Care					
1210 Proficiency					
Does the CAE ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes?	✓		Job descriptions exist for all levels of staff which refer to the qualifications, competencies, skills etc required. However, it is recognised that these need to be revised, particularly with a view to future recruitment exercises.	Job descriptions to be revised	March 2015
1230 Continuing Professional Development					
Has the CAE defined the skills and competencies for each level of auditor?	✓		See 1210 above. Job descriptions exist for all levels of staff which refer to the qualifications, competencies, skills etc. required. However, it is recognised that these need to be revised, particularly with a view to future recruitment exercises.	Job descriptions to be revised	March 2015
1300 Quality Assurance and Improvement Programme					
Has the CAE developed a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?		✓	A performance management and quality assurance programme was in place which complied with the requirements of the Cipfa Code of Practice. As the PSIAS provide a new set of standards a QAIP will need to be developed.	QAIP to be developed	December 2014
Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?		✓	See above	QAIP to be developed	December 2014
Does the CAE maintain the QAIP?		✓	See above	QAIP to be developed	December 2014
1310 Requirement of the Quality Assurance and Improvement Programme					
Does the QAIP include both internal and external assessments?		✓	See above – a QAIP will be developed	QAIP to be developed	December 2014

Standards	P	N	Status	Action Required	Target Date
1311 Internal Assessments					
Do internal assessments include ongoing monitoring of the internal audit activity, such as: b) Periodic assessments for evaluating conformance with the PSIAS?		✓	Annual assessments have previously been undertaken in respect of the previous standards and will be undertaken annually in respect of the PSIAS.	Completion of annual assessments provided for within the Audit Charter. Annual assessment reported to Audit & Scrutiny Committee in June 2014	Completed
Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?		✓	Performance targets are determined by the Head of Internal Audit & Risk Management in accordance with professional guidance.	To be considered further when drafting the QAIP	December 2014
Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices? Sufficiency would require knowledge of the PSIAS and the wider guidance available such as the Local Government Application Note and/or IIA practice advisories, etc.		✓	This is a new requirement. Self-assessments against the previous Cipfa Standards have been carried out annually by the Audit & Risk Manager.	Internal assessments to be undertaken annually by the Head of Internal Audit & Risk Management as per assessment reported to A&S Committee in June 2014.	Completed
1312 External Assessments					
Has the CAE discussed the proposed form of the external assessment and the qualifications and independence of the assessor or assessment team with the board?	✓		Outline discussions have taken place with the Chair of the Audit & Scrutiny Committee.	To be considered further when drafting the QAIP	December 2014
Has the CAE agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the CFO or the chief executive?		✓	Will be discussed in due course once options and proposals are developed.	To be considered in advance of external assessment. This assessment needs to be undertaken by March 2018 but is likely to take place by March 2016	March 2016
Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?		✓	Will be discussed in due course once options and proposals are developed.	To be considered further in advance of external assessment	March 2016

Standards	P	N	Status	Action Required	Target Date
<p>Has the assessor or assessment team demonstrated its competence in both areas of professional practice of internal auditing and the external assessment process? Competence can be determined as follows:</p> <ul style="list-style-type: none"> a) experience gained in organisations of similar size b) complexity c) sector (ie the public sector) d) industry (ie local government), and e) 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>		✓	Will be considered in due course.	To be considered further when drafting the QAIP and in advance of external assessment	March 2016
<p>How has the CAE used his or her professional judgement to decide whether the assessor or assessment team demonstrates sufficient competence to carry out the external assessment?</p>		✓	Will be considered in due course	To be considered further when drafting the QAIP and in advance of external assessment	March 2016
<p>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.</p>		✓	Will be considered in due course	To be considered further when drafting the QAIP and in advance of external assessment	March 2016
1320 Reporting on the Quality Assurance and Improvement Programme					
<p>Has the CAE reported the results of the QAIP to senior management and the board? Note that:</p> <ul style="list-style-type: none"> a. the results of both external and periodic internal assessment must be communicated upon completion b. the results of ongoing monitoring must be communicated at least annually c. the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS 		✓	Assessment not yet completed	Internal assessment reported to A&S Committee in June 2014. Audit Charter amended requiring results of all QAIP's to be reported to the Executive Leadership Team and the A&S Committee.	Completed
<p>Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?</p>		✓	Assessment not yet completed	Internal assessment reported to A&S Committee in June	Completed

Standards	P	N	Status	Action Required	Target Date
				2014. Audit Charter amended requiring results of all QAIP's together with the resultant improvement plans to be included within annual report.	
1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'					
Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?		✓	The extent of compliance, following the completion of this checklist, will be considered when the CAE prepares the annual report for 2013/14	Internal assessment reported to A&S Committee in June 2014 and the results of this confirmed that the internal audit activity "complies with the Standards in all significant areas and operates independently and objectively	Completed
Performance Standards					
2000 Managing the Internal Audit Activity					
2010 Planning					
Does the risk-based plan take into account the organisation's assurance framework?	✓		Although the Plan takes account of the assurance framework, it is recognised that this needs to be developed further.	This is a long-term process but the 2015/16 Audit Plan will develop this further Audit Manual to be updated	March 2015 December 2014
Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of: a) How the internal audit service will be delivered?	✓		The report to A&S Committee which accompanies the Plan refers to the audit service being delivered in accordance with the Standards.	To be provided for within the Audit Plan for 2015/16	March 2015

Standards	P	N	Status	Action Required	Target Date
b) How the internal audit service will be developed in accordance with the internal audit charter?		✓		As above	March 2015
c) How the internal audit service links to organisational objectives and priorities?		✓		As above	March 2015
				Above to be documented within the Audit Manual	December 2014
Does the risk-based plan set out the: b) Respective priorities of those pieces of audit work?	✓		These are prioritised by the CAE, particularly work to support the Statement on Internal Control; however these are not shown within the Plan.	To be provided for within the Audit Plan for 2015/16	March 2015
				Audit Manual to be updated	December 2014
In developing the risk-based plan, has the CAE also considered the following: a) Any declarations of interest (for the avoidance for conflicts of interest)?	✓		Any declarations of interest would be considered at the point of each individual audit engagement. It is recognised that the Declaration of Interest forms should be completed annually.	Audit Charter to provide for annual declaration and for any potential conflict to be identified when compiling the Audit Plan	Completed
				Audit Manual to be updated	December 2014
2020 Communication and Approval					
Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	✓		The Plan is provided to senior management in advance of the A&S meeting and is then presented to A&S Committee for review and approval. The Plan does not provide the resource requirements as these are dictated by the staffing budget provided to the CAE.	The Audit Plan for 2014/15 referred to available resources. Further reference to be made within the Audit Plan for 2015/16	March 2015
				Audit Manual to be updated	December 2014

Standards	P	N	Status	Action Required	Target Date
2030 Resource Management					
Does the risk-based plan explain how internal audit's resource requirements have been assessed?		✓	As referred to above, resources are set by the budget given to the CAE. These resources are benchmarked with other local authorities to ensure these are reasonable. The demands for audit time have, historically, always exceeded those available so engagements are prioritised. Any engagements not incorporated within the Plan would be undertaken if time allowed or would be carried forward to the following year.	To be provided for within the Audit Plan for 2015/16 Audit Manual to be updated	March 2015 December 2014
2050 Coordination					
Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?		✓	It is recognised that assurance mapping needs to be developed further which will assist in addressing this requirement.	This is a long-term process but the 2015/16 Audit Plan will develop this further Audit Manual to be updated	March 2015 December 2014
Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?		✓	See above	This is a long-term process but the 2015/16 Audit Plan will develop this further Audit Manual to be updated	March 2015 December 2014
Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?	✓		Information is shared and activities are coordinated with Audit Scotland. Audit Scotland coordinate the Assurance and Improvement Programme which details the work of the other inspection agencies. This needs to be developed in respect of Integrating Care.	This is a long-term process but the 2015/16 Audit Plan will develop this further Audit Manual to be updated	March 2015 December 2014
2060 Reporting to Senior Management and the Board					
Does the CAE report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its	✓		The CAE provides a quarterly activity report to the Audit & Scrutiny Committee and, therefore, this report is available to senior management.	Enhanced quarterly reporting to Audit & Scrutiny and to the Chief	Completed

Standards	P	N	Status	Action Required	Target Date
plan?			The report provides details as to the progress against the Audit Plan and refers to any other relevant issues arising. The Plan does not refer to the purpose, authority and responsibility of Internal Audit as this is detailed within the Charter.	Executive through Quarterly Performance Reviews with effect from September 2014	
Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board?	✓		Reports are quarterly – as dictated by the Committee cycle.	See above	Completed
2200 Engagement Planning					
Does the engagement plan include the engagement's: c) Timing?		✓	But sometimes referred to in the email accompanying the Terms of Reference	Terms of Reference document to be amended	Completed
Do internal auditors consider the following in planning an engagement, and is this documented: b) The means by which the activity controls its performance? d) The activity's resources? e) The activity's operations? f) The means by which the potential impact of risk is kept to an acceptable level? g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?	✓ ✓ ✓ ✓	✓	The information provided on the Terms of Reference document will vary according to the nature of the engagement and this is reflected in the response below.	Terms of Reference document to be amended to reflect all of the requirements below	Completed Completed Completed Completed
Where an engagement plan has been drawn up for an audit to a party outside of the organisation, have the internal auditors established a written understanding with that party about the following:					

Standards	P	N	Status	Action Required	Target Date
c) The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)?		✓	Refers to High Life Highland and Assessors only	To be incorporated within Audit Manual	December 2014
2210 Engagement Objectives					
Have internal auditors carried out a preliminary risk assessment of the activity under review?	✓		Dependent upon the nature of the review	Terms of Reference document to be amended Guidance to be provided in Audit Manual	Completed November 2014
Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether objectives and goals have been accomplished?	✓		This would be dependent upon the nature of the audit engagement	Terms of Reference document to be amended Guidance to be provided in Audit Manual	Completed November 2014
If the criteria have been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?	✓			Terms of Reference document to be amended Guidance to be provided in Audit Manual	Completed November 2014
If the criteria have been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	✓			Terms of Reference document to be amended Guidance to be provided in Audit Manual	Completed November 2014
If the value for money criteria have been referred to, has the use of all the organisation's main types of resources been considered; including money, people and assets?	✓			Terms of Reference document to be amended Guidance to be provided in Audit Manual	Completed November 2014

Standards	P	N	Status	Action Required	Target Date
2220 Engagement Scope					
Does the engagement scope include consideration of the following relevant areas of the organisation: b) Records? c) Personnel? d) Premises?	✓ ✓ ✓			Terms of Reference document to be amended to reflect all of the requirements below	Completed Completed Completed
Does the engagement scope include consideration of the following relevant areas under the control of outside parties, where appropriate: b) Records? c) Personnel? d) Premises?	✓ ✓ ✓			Terms of Reference document to be amended to reflect all of the requirements below	Completed Completed Completed
2230 Engagement Resource Allocation					
Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of the engagement based on: a) The nature and complexity of each individual engagement? b) Any time constraints? c) The resources available?	✓ ✓ ✓		The Audit Plan refers to the required resources for each engagement, based upon the undernoted three factors. These are considered further when preparing the Terms of Reference for each engagement.	To be considered further as part of Audit Plan for 2015/16	March 2015 March 2015 March 2015
2300 Performing the Engagement					
2330 Documenting Information					
Has the CAE developed and implemented retention requirements for all types of engagement records?	✓		Retention schedules under revision	Retention schedule to be completed Audit Manual to be updated	Completed December 2014
Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	✓		Retention schedules under revision	Retention schedule to be completed	Completed

Standards	P	N	Status	Action Required	Target Date
2400 Communicating Results					
2410 Criteria for Communicating					
If the CAE has been required to provide assurance to other partnership organisations, has he or she also demonstrated that their fundamental responsibility is to the management of the organisation to which they are obliged to provide internal audit services?		✓	Relevant to HLH and Assessors.	To be incorporated within Audit Manual	December 2014
2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'					
Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?		✓	This is a new requirement	To be incorporated within Audit Manual	December 2014
2431 Engagement Disclosure of Nonconformance					
Where any non-conformance with the PSIAS 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?		✓	As above, this is a new requirement	To be incorporated within Audit Manual	December 2014
b) The reason(s) for non-conformance?		✓	As above, this is a new requirement	To be incorporated within Audit Manual	December 2014
c) The impact of non-conformance on the engagement and the engagement results?		✓	As above, this is a new requirement	To be incorporated within Audit Manual	December 2014
2450 Overall Opinion					
Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?		✓	The Statement on Internal Control provides the opinion of the CAE. Expectations of other stakeholders will be considered further when assurance mapping is developed.	This is a long-term process but the 2015/16 Audit Plan will develop this further	March 2015
Does the communication identify the following:					
c) The consideration of all related projects including the reliance on other assurance providers?		✓	To be developed further as part of assurance mapping	This is a long-term process but the 2015/16 Audit Plan will develop this further	March 2015
d) The risk or control framework or other criteria used as a basis for the overall opinion?		✓	To be developed further as part of assurance mapping	This is a long-term process but the 2015/16	March 2015

Standards	P	N	Status	Action Required	Target Date
				Audit Plan will develop this further	
Does the annual report incorporate the following:					
f) A comparison of work actually carried out with the work planned?		✓	Any work not carried out is reported throughout the year to the Audit & Scrutiny Committee.	Work not carried out in respect of 2013/14 was reported to A&S Committee in June 2014 and will continue to be reported in future annual reports.	Completed
g) The results of the QAIP?	✓		A performance management and quality assurance programme was in place which complied with the requirements of the Cipfa Code of Practice. As the PSIAS provide a new set of standards a QAIP will need to be developed.	Internal assessment reported to A&S Committee in June 2014. Audit Charter amended requiring results of all QAIP's together with the resultant improvement plans to be included within annual report.	Completed
i) Progress against any improvement plans resulting from the QAIP?	✓		As above	To be reported in the next annual report	June 2015
2500 Monitoring Progress					
Where issues have been identified during the follow-up process, has the CAE considered revising the internal audit opinion?	✓		Where specific follow up reviews are undertaken this enables the opinion provided previously to be revised.	No further action required (<i>Note: this should have been marked previously as a "yes" answer</i>)	Completed
	48	33			

Summary of actions taken since previous report to A&S Committee in June 2014:

Partial Compliance	
Number of areas of partial compliance identified in assessment to Audit Committee of June 2014	48
Number of areas completed	26
Number of areas to be actioned	22
Non-Compliance	
Number of areas of non-compliance identified in assessment to Audit Committee of June 2014	33
Number of areas completed	9
Number of areas to be actioned	24

Summary of total PSIAS actions:

	Reported in June 2014		Reported in Sept 2014	
	No	%	No	%
Compliance with PSIAS	253	76	288	86
Partial compliance with PSIAS	48	14	22	7
Non-compliance with PSIAS	33	10	24	7
	334	100	334	100