

Compliance with PSIAS & LGAN Self-Assessment 2018/19 Action Plan

Appendix 3

Ref	Standard Reference	Audit Standard	Gap Identified	Action Required	Officer Responsible	Timescale
1.	5.2 1110	<p><u>Organisational Independence</u></p> <p>Does the CAE report to an organisational level equal or higher to the Corporate management team?</p>	<p>The Chief Internal Auditor (CIA) reports to the Head of Internal Audit & Financial Services.</p> <p>Section 151 matters are reported in all instances to the County Treasurer who reports to SLT for all Section 151 matters.</p> <p>Alternative reporting arrangements are detailed within the Internal Audit Charter, should the need arise.</p>	<p>The current reporting line in place is satisfactory. The CIA has alternative reporting arrangements, should she require which are outlined in the Internal Audit Charter.</p> <p>This has been reported in the annual outturn report as an area of non-compliance with PSIAS.</p> <p>No further action to be taken.</p>	N/A	N/A
2.	5.2 1110 (c)	<p><u>Organisational Independence</u></p> <p>Is the organisational independence of internal audit realised by functional reporting by the CAE to the board?</p> <p>(c) approves the internal audit budget and resource plan</p>	<p>The Audit & Standards Committee does not approve the Internal Audit budget. This is the responsibility of the County Treasurer via Full Council.</p>	<p>This will be reported in the annual outturn report as an area of non-compliance with PSIAS.</p> <p>No further action will, however, be undertaken.</p>	N/A	N/A
3.	5.2 1110(e)	<p><u>Organisational Independence</u></p> <p>Is the organisational independence of internal audit realised by functional reporting by the CAE to the board?</p> <p>(e) approves decisions relating to the appointment and removal of the CAE.</p>	<p>The Audit & Standards Committee does not approve decisions relating to the appointment and removal of the CIA, this responsibility lies with the Head of Internal Audit & Financial Services in-conjunction with the County Treasurer. The County Treasurer would also liaise with the Director of Corporate Services in respect a matter of this nature.</p>	<p>This will be reported in the annual outturn report as an area of non-compliance with PSIAS, however, no further action is planned.</p>	N/A	N/A
4.	5.2 1110(f)	<p><u>Organisational Independence</u></p> <p>Is the organisational independence of internal audit realised by functional reporting by the CAE to the board?</p>	<p>In response to this, pay of the CIA is in accordance with the Council's Pay structure, Grading and JE processes which are corporately owned.</p>	<p>This will be reported in the annual outturn report as an area of non-compliance with PSIAS, however, no further action is planned.</p>	N/A	N/A

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		(f) approves the remuneration of the CAE.				
5.	5.3 1210	<p><u>Proficiency and Due Professional Care</u></p> <p>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?</p>	<p>This area is improving; however, it is recognised that the skills and knowledge is largely held with the ICT Audit Manager and Counter Fraud Audit Manager. Demonstrations of IDEA have taken place with Staff at the last team meeting in March 2019, with further 1-2-1 training offered. The CIA has also requested that staff book on the advanced Excel course which will also be beneficial to staff. Additional experience of CAAT techniques is still required across the breadth of the team and this will be improved/strengthened in 2019/20.</p>	<p>The CIA will continue to implement an integrated data driven approach to our audit process by promoting the use of IDEA in the work carried out and to facilitate and support members of the team through peer training.</p> <p><Partial conformance to standard></p>	<p>CIA in conjunction with ICT Audit Manager & Counter Fraud Audit Manager</p>	<p>On-going throughout 2019/20</p>
6.	6.1 2050	<p><u>Performance Standards: Managing the IA Activity – Co-ordination</u></p> <p>Does the risk-based plan include an adequately developed approach to using other sources of assurance and any work that may be required to place reliance upon those sources?</p> <p>The CAE may also carry out an assurance mapping exercise</p>	<p>Other sources of assurance are captured as part of the annual audit planning process.</p> <p>Time is set aside in 2019/20 to formulate an assurance map for the Council. As this is a large-scale exercise, the focus will be to map the assurance for the Council's top ten risk areas in 2019/20.</p> <p>A pensions assurance framework has been produced for the new pensions pooling arrangements during 2018/19. In addition, an assurance framework has been developed for SEND governance.</p>	<p>The CIA will need to include time in the 2019/20 audit plan to conduct an assurance mapping exercise for the top ten risks faced by the Council. The CIA need to link in with the Head of Internal Audit & Financial Services regarding the Council's risk management arrangements.</p> <p><Partial conformance to standard></p>	<p>CIA in conjunction with the Head of Internal Audit & Financial Services</p>	<p>31/10/2019</p>
7.	6.2 2120	<p><u>Performance Standards: Nature of</u></p>	<p>The Head of Internal Audit &</p>	<p>In 2019/20, time will be taken to</p>	<p>CIA in</p>	<p>31/12/2020</p>

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		<p><u>Work – Risk Management</u></p> <p>Has the internal audit activity evaluated the effectiveness of the organisation’s risk management processes?</p>	<p>Financial Services is responsible for risk management as a function. This role was previously carried out by the CIA role. So, the CIA role is now independent of these arrangements.</p> <p>Time in 2019/20 will be given to developing an assurance framework for the Council’s top 10 risk areas.</p> <p>Risk management will be considered as part of the annual audit planning process for 2020/21.</p>	<p>produce an assurance map for the top 10 risk areas for the Council and to liaise with the Head of Internal Audit & Financial Services as part of this process (see above also).</p> <p>Internal Audit will consider the area of risk management as part of the annual audit planning process for 2020/21.</p> <p><Partial conformance to standard></p>	<p>conjunction with the Head of Internal Audit & Financial Services</p>	
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