

Public Sector Internal Audit Standards

Audit Committee

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Overview

- Common set of standards across the public sector
- Application of Institute of Internal Audit (IIA) International Standards across UK
- 1st April 2013 – **ALL** Internal Audit Teams
- Replaces CIPFA Code of Practice for Internal Audit in LG in UK
- Professional, independent, objective Internal Audit service – key element of good governance

Purpose of PSIAS

- Define the nature of internal auditing
- Basic principles for carrying out Internal Audit
- Framework for providing Internal Audit services – add value – improved processes & operations
- Basis for the evaluation of Internal Audit performance

Key Aspects

- Mission
- Definition of Internal Audit
- Core Principles
- Code of Ethics
- Attribute Standards
 - Internal Self Assessment
 - External Assessment – every 5 years
- Performance Standards



Mission

To enhance and protect organisational value by providing risk based and objective assurance, advice and insight.

Definition of Internal Audit ...

What do you think ?

Definition

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Core Principles

Internal Audit Effectiveness

- Demonstrates integrity
- Demonstrates competence and due professional care
- Is objective and free from undue influence (independent)
- Aligns with the strategies, objectives and risks of the organisation
- Is appropriately positioned and adequately resourced
- Demonstrates quality and continuous improvement
- Communicates effectively
- Provides risk based assurance
- Is insightful, proactive and future focused
- Promotes organisational improvement

Code of Ethics

- Integrity

- The Integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement

- Objectivity

- Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information
- A balanced assessment of all relevant circumstances and are not unduly influenced by their own interests or by others informing judgements



- **Confidentiality**

- Respect the value and ownership of information received and do not disclose without proper authority unless there is a legal professional obligation to do so

- **Competency**

- Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services

Attribute Standards (1)

1000	Purpose, authority & responsibility	
1010	Definition / Code of Ethics / Standards to be included in Charter	
1100	Independence & objectivity	
1110	Organisational independence	
1111	Direct interaction with Audit Committee	
1120	Individual objectivity	
1130	Impairment to independence or objectivity	



Attribute Standards (2)

1200	Proficiency & due professional care	
1210	Proficiency	
1220	Due professional care	
1230	Continuing professional development (CPD)	
1300	Quality assurance & improvement	
1310	Requirements of the quality assurance & improvement programme	
1311	Internal assessments	
1312	External assessments	
1320	Reporting on the QAIP	
1321	Use of "Conforms with the PSIAS"	
1322	Disclosure of non-conformance	

Performance Standards (1)

2000	Managing the Internal Audit activity
2010	Planning
2020	Communication & approval
2030	Resource management
2040	Policies & procedures
2050	Co-ordination
2060	Reporting to Senior Management
2070	External service provider & organisational responsibility for Internal Audit

Performance Standards (2)

2100	Nature of the work
2110	Governance
2120	Risk management
2130	Control
2200	Engagement planning
2201	Planning considerations
2210	Engagement objectives
2220	Engagement scope
2230	Engagement resource allocation
2240	Engagement work programme

Performance Standards (3)

2300	Performing the engagement
2310	Identifying information
2320	Analysis & evaluation
2330	Documenting information
2340	Engagement supervision
2400	Communicating the results
2410	Criteria for communicating
2420	Quality of communications
2430	Error & omissions
2431	Use of “conforms with PSIAS”
2440	Disseminating results
2450	Overall opinions

15

Performance Standards (4)

2500	Monitoring progress
2600	Communicating the acceptance of risks

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A whistlestop Tour ...

Thanks for listening –

Any questions ?

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