

Recommendations to become fully conformant to the Public Sector Internal Audit Standards

Attribute Standard	Key Conformance Criteria	CAE EQA Reviewer Assessment (June 2018)	Response & action date	Progress at Aug 2018
<p>1112 Chief Audit Executive Roles Beyond Internal Auditing</p> <p>Where the chief audit executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards must be in place to limit impairments to independence or objectivity.</p> <p>Interpretation:</p> <p>The chief audit executive may be asked to take on additional roles and responsibilities outside of internal auditing, such as responsibility for compliance or risk management activities.</p> <p>These roles and responsibilities may impair, or appear to impair, the organizational independence of the internal audit activity or the individual objectivity of the internal auditor.</p> <p>Safeguards are those oversight activities, often undertaken by the board, to address these potential impairments, and may include such activities as periodically evaluating reporting lines and responsibilities and developing alternative processes to obtain assurance related to the areas of additional</p>	<p>Full disclosure in the IA Charter of any management responsibilities that the Chief Audit Executive holds.</p> <p>Conflicts of interest are identified and recorded in the terms of reference for audit assignments and referenced in the report.</p> <p>The CAE has relinquished some of their audit direct line management for specific audits with regard to reviewing files and reports, other team members leading on reviews where the CAE has operational responsibility.</p> <p>The Senior Auditor/Audit</p>	<p>Full disclosure in the IA Charter of any management responsibilities that the Chief Audit Executive holds.</p> <p>Conflicts of interest are identified and recorded in the terms of reference for audit assignments and referenced in the report.</p> <p>The CAE has relinquished some of their audit direct line management for specific audits with regard to reviewing files and reports, other team members leading on reviews where the CAE has operational responsibility.</p> <p>The CAE does have</p>	<p>Establish process for independent assurance on Fraud function and commission independent review for 2018/19.</p> <p>Approach other Council's to join forces on providing independent assurance to each other on the fraud function. Agree activities to be reviewed and schedule ongoing reviews on a rotational basis.</p> <p>January 2019</p>	<p>Ongoing</p>

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<p>responsibility.</p> <p>Public Sector Interpretation: When asked to undertake any additional roles/responsibilities outside of internal auditing, the CAE must highlight to the Board any potential or perceived impairment to independence and objectivity having regard to the principles contained within the Code of Ethics as well as any relevant requirements set out by other professional bodies to which the CAE may belong. The board must approve and periodically review any safeguards put in place to limit impairments to independence and objectivity (see also Standard 1000).</p>	<p>Manager reports directly to a party external to the CAE for audits that are under the control or direct influence of the CAE.</p> <p>Contracted, third-party entity or external auditors are used to complete audits of those areas reporting to the CAE.</p>	<p>responsibility for the Counter Fraud section. Therefore we can't "audit" what they are doing and we do not get independent assurance on this. The Charter does state our role in Fraud and Safeguards to managing independence in theory but not how to gain assurance on their activities.</p>		
<p>2050 Coordination and Reliance</p> <p>The chief audit executive should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts.</p> <p>Interpretation: In coordinating activities, the chief audit executive may rely on the work of other assurance and consulting service providers.</p> <p>A consistent process for the basis of reliance should be established, and the chief audit executive should</p>	<p>IA work is coordinated with that of the external auditors and with other internal providers of assurance and consulting services. This might include regular meetings, documented agreements, coordinated plans, sharing resources, training arrangements.</p> <p>In some cases IA may be required to assess the reliability of the work of</p>	<p>Cannot see that there are any formal processes in place at macro or micro level to co-ordinate and share with other assurance providers, or to establish what the basis for placing reliance on them is.</p>	<p>Map who other assurance providers are, and then document the process for co-ordination and reliance including the basis for reliance. Consider if the provider can demonstrate adequate objectivity.</p> <p>March 2019</p>	<p>Ongoing</p>

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<p>consider the competency, objectivity, and due professional care of the assurance and consulting service providers.</p> <p>The chief audit executive should also have a clear understanding of the scope, objectives, and results of the work performed by other providers of assurance and consulting services.</p> <p>Where reliance is placed on the work of others, the chief audit executive is still accountable and responsible for ensuring adequate support for conclusions and opinions reached by the internal audit activity.</p>	<p>other assurance providers. This is established in the IA Charter and factored into the IA plans.</p>			