

Public Sector Internal Audit Standards Review 2015

Executive Summary

Introduction

A review has been undertaken by an independent consultant for TIAA against the Public Sector Internal Audit Standards (PSIAS) that came into force from 1 April 2013. The review was carried out in January 2015. The review formed part of an ongoing strategy to review the service independently against these professional standards.

The PSIAS are the professional standards that all NHS, Central Government, Local Government and related public sector Internal Audit services must comply with. This review was undertaken at the direction of the Chief Executive of TIAA as an independent assessment of the compliance of the audit service provided by TIAA to its client base against the PSIAS.

The Approach

The review was based on the facilitated Self-Assessment format, with each point reviewed against available evidence to confirm whether the feature was in place or not.

For each sub-section a series of statements of good practice are provided as a guide in determining the performance of the service. Against this an assessment is made as to the degree of conformance using the following scale, aligned with the Public Sector Internal Audit Standards:

- **Fully Conforms** the reviewer concludes that the internal audit service fully complies with each of the statements of good practice.
- **Generally Conforms** means the reviewer has concluded that the relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, at least comply with the requirements of the section in all material respects. For the sections and sub-sections, this means that there is general conformance to a majority of the individual statements of good practice, and at least partial conformance to the others, within the sub-section. As indicated above, general conformance does not require complete/perfect conformance.
- **Partially Conforms** means the reviewer has concluded that the internal audit service falls short of achieving some elements of good practice but is aware of the areas for development. These will usually represent significant opportunities for improvement in delivering effective internal audit. Some deficiencies may be beyond the control of the service and may result in recommendations to senior management or the audit committee of the organisation.
- **Does Not Conform** means the reviewer has concluded that the internal audit service is not aware of, is not making efforts to comply with, or is failing to achieve many/all of the objectives and good practice statements within the section or sub-section. These deficiencies will usually have a significant negative impact on the internal audit service's effectiveness and its potential to add value to the organisation. These will represent significant opportunities for improvement, potentially including actions by senior management or the audit committee.

Conclusion

The report concluded that TIAA significantly conforms to the requirements of the Public Sector Internal Audit Standards with one area concerning "Performance Management" that requires improvement.

Summary of Assessments Awarded

	Does not conform	Partially conforms	Generally conforms	Fully conforms
Purpose & positioning				
• Remit				✓
• Reporting lines				✓
• Independence				✓
• Other assurance providers				✓
• Risk based plan				✓
Structure & resources				
• Competencies				✓
• Technical training & development				✓
• Resourcing				✓
• Performance management			✓	
• Knowledge management				✓
Audit execution				
• Management of the IA function				✓
• Engagement planning				✓
• Engagement delivery				✓
• Reporting				✓