



Compliance with the Public Sector Internal Audit Standards and the Local Government Application Note – Self Assessment 2016-17

This checklist has been developed to satisfy the requirements set out in PSIAS 1311 and 1312 for periodic self-assessments and externally validated self-assessments as part of the Quality Assurance and Improvement Programme. It incorporates the requirements of the PSIAS as well as the Application Note in order to give comprehensive coverage of both documents.

Please Tick to indicate Y = Yes, P = Partial, N = No. Evidence for each response must be provided and reasons for any partial or full non-compliance should be given, together with any compensating measures in place or actions in progress to address this.

Key to Terminology used in the document;

PSIAS	Public Sector Internal Audit Standards	LGAN	Local Government Application Note
CIPFA	Chartered Institute of Public Finance & Accountancy	AAT	Association of Accounting Technicians
ACCA	Association of Certified Chartered Accountants	CPD	Continuing Professional Development
A&R	Audit and Risk Committee	EMT	Executive Management Team
WMT	Wider Management Team	HoS	Heads of Service
BM	Business Managers	SCAG	Staffordshire Chief Auditors Group
SCFOG	Staffordshire Chief Financial Officers Group	AGS	Annual Governance Statement
WP	Working Papers	CAE	Chief Audit Executive
CFO	Chief Finance Officer	QAIP	Quality Assurance Improvement Programme
GRACE	Councils Risk Management System		

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
1	Definition of Internal Auditing					
	Using evidence gained from assessing conformance with other Standards, is the internal auditing activity: a) Independent? b) Objective?	Y			The Internal Audit Charter approved by Executive Management Team and the Audit & Risk Committee sets out the purpose, objectives and scope of Internal Audit.	1
	Using evidence gained from assessing conformance with other Standards does the internal auditing activity use a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation?	Y			There is an annual risk based audit plan this is based on a risk assessment methodology and audits are categorised as High Medium and Low. An audit management system APACE assists with this process.	2 3
2.	Code of Ethics					

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	<p>Integrity</p> <p>Using evidence gained from assessing conformance with other Standards, do internal auditors:</p> <ul style="list-style-type: none"> a) Perform their work with honesty, diligence and responsibility? b) Observe the law and make disclosures expected by the law and the profession? c) Not knowingly partake in any illegal activity nor engage in acts that are discreditable to the profession of internal auditing or to the organisation? d) Respect and contribute to the legitimate and ethical objectives of the organisation? 	Y			<p>The Audit Team are professionally qualified and members of CIPFA, ACCA and AAT and therefore have to comply with the relevant standards for these professional bodies.</p> <p>In addition the organisation has a range of policies that seek to ensure compliance with the law.</p> <p>Organisational policies include;</p> <ul style="list-style-type: none"> Employees Code of Conduct Information Security Policies Anti-Fraud & Anti-Corruption Polices Financial Regulations Contract Regulations 	<p>4</p> <p>5a-j</p> <p>6 a-e</p> <p>7</p> <p>8</p>

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	<p>Objectivity</p> <p>Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by not:</p> <ul style="list-style-type: none"> a) Taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment? b) Accepting anything that may impair or be presumed to impair their professional judgement? c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review? 	Y			Internal Auditors complete an annual declaration in relation to confidentiality and also potential interests that may conflict with their role.	9
	<p>Confidentiality</p> <p>Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:</p> <ul style="list-style-type: none"> a) Acting prudently when using information acquired in the course of their duties and protecting that information? b) Not using information for any personal gain or in any matter that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation? 	Y			Internal Auditors complete an annual declaration in relation to confidentiality and also potential interests that may conflict with their role.	9

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	<p>Competency</p> <p>Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:</p> <ul style="list-style-type: none"> a) Only carrying out services for which they have the necessary knowledge, skills and experience? b) Performing service in accordance with the PSIAS? c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes? 	Y			<p>The Audit Team are professionally qualified and members of CIPFA, ACCA and AAT and therefore have to comply with the relevant standards for these professional bodies.</p> <p>Annual appraisals identify areas of training that is required and provide the auditors with the opportunity to discuss what training needs they require. The organisations appraisal scheme is recognised by the relevant professional bodies for CPD purposes</p>	
	Do internal auditors have regard to the “On Standards of Public Life” <i>Seven Principles of Public Life</i> ?	Y			These are contained within the Council’s constitution and also various other Council policies that the internal auditors as well as all other employees of the Council have to adhere to	
	Standards					
3.	Attribute Standards					
3.1	1000 Purpose, Authority and Responsibility					
	<p>Does the internal audit charter include a formal definition of:</p> <ul style="list-style-type: none"> a) The purpose b) The authority, and c) The responsibility <p>Of the internal audit activity consistent with the Public Sector Internal Audit Standards (PSIAS)</p>	Y			Internal Audit Charter see reference 1	1

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
LGAN	<p>Does the internal audit charter define the terms “board” and “senior management”, for the purpose of the internal audit activity?</p> <p><i>Note that it is the expectation that the audit committee will fulfil the role of the board in the majority of instances.</i></p>	Y			Internal Audit Charter see reference 1	1

	a) Set out the internal audit activity's position with the organisation?		see reference 1.	
LGAN	b) Establish the Chief Audit Executive's (CAE) functional reporting relationship with the board?		The Head of Audit & Elections is the CAE for the purpose of compliance with the PSAIS.	
LGAN	c) Establish the accountability, reporting line and relationship between the CAE and those to whom the CAE may report administratively?			
LGAN	d) Establish the responsibility of the board and also the role of the statutory officers (such as the CFO, monitoring officer and the head of paid service) with regards to Internal Audit?			
LGAN	e) Establish internal audit's right of access to all records, assets, personnel and premises and its authority to obtain such information?			
LGAN	f) Define the scope of internal audit's activities?			
LGAN	g) Recognise that internal audit's remit extends to the entire control environment of the organisation			
LGAN	h) Identify internal audit's contribution to the review of the effectiveness of the control environment, as set-out in the Accounts and Audit (England) Regulations 2011?			
LGAN	i) Establish the organisational independence of internal audit?			
LGAN	j) Cover the arrangements for appropriate			

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Does the CAE periodically review the internal audit charter and present it to senior management and the board for approval?	Y			The Charter is reviewed and reported to Executive Management Team and the Audit and Risk Committee on an annual basis	1 12
	Does the CAE attend audit committee meetings?	Y			The Head of Audit & Elections as CAE attends and presents reports to the Audit and Risk Committee	
	Does the CAE contribute to audit committee agendas?	Y			The Head of Audit & Elections as CAE attends the Officer pre meetings that set the Agenda for the Audit and Risk Committee meetings	
3.2	1100 Independence and Objectivity					
	Does the CAE have unrestricted access to senior management and the board?	Y			The Head of Audit & Elections is a member of the Wider Management Team and also in her role as Monitoring Officer is a member of the Statutory Officer Group. Access rights are also formulated within the Audit Charter and also Financial Regulations	1
	Does the CAE have free and unfettered access to, as well as communicate effectively with, the chief executive or equivalent and the chair of the audit committee?	Y			See also the completion of the Self-assessment of the Audit and Risk Committee against the CIPFA code of practice	
	Are threats to objectivity identified and managed at the following levels? a) Individual auditor? b) Engagement? c) Functional? d) Organisational?	Y			These are managed through the declaration of interests and confidentiality statements that are completed annually by the auditors.	9
	1100 Organisational Independence					

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Does the CAE report to an organisational level equal or higher to the corporate management team?	Y			The Head of Audit & Elections reports to the Section 151 Officer as Executive Director (Resources & Support Services) who is a member of the Executive Management Team.	
LGAN	Does the CAE's position in the management structure; <ul style="list-style-type: none"> a) Reflect the influence he or she has on the control environment? b) Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board? c) Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management? 	Y			<p>The self-assessment against CIPFA's Role of the Head of Internal Audit has been completed in respect of the Head of Audit & Elections which helps to demonstrate this.</p> <p>This is also set out in the Audit Charter.</p> <p>The Head of Audit & Elections as CAE is also a member of the Wider Management Team, the Departmental Management Team for Resources and Support Services and also the Statutory Officers Group.</p>	13 1

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	<p>Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent?</p> <p><i>The following example can be used by the CAE when assessing the organisational independence of the internal audit activity:</i></p> <p>The Board:</p> <ul style="list-style-type: none"> a) Approves the internal audit charter b) Approves the risk-based audit plan c) Approves the internal audit budget and resource plan d) Receives communications from the CAE on the activity's performance (in relation to the plan, for example) e) Approves decisions relating to the appointment and removal of the CAE f) Seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations 	Y			<p>This is set out in the Annual Report of the Internal Audit Service, the Annual Governance Statement.</p> <p>The Board for the purposes of compliance with the PSIAS is the Audit and Risk Committee. The Charter, Audit Plan and Performance against the Audit Plan are all reported here</p>	<p>14</p> <p>15</p> <p>12</p> <p>16</p> <p>17</p>
	Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?	Y			Performance appraisal completed by S151 Officer (Executive Director Resources and Support Services)	
	Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?			N		
	1111 Direct Interaction with the Board					

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Does the CAE communicate and interact directly with the board?	Y			Monthly assurance statements with regards to the implementation of audit recommendations are emailed to the Chair and Vice Chair of the Audit and Risk Committee. Quarterly reports on assurance are then subsequently reported to both the Audit and Risk Committee and the Executive Management Team	18
	<i>1120 Individual Objectivity</i>					
	Do internal auditors have an impartial, unbiased attitude?	Y			Declaration of Interests and Confidentiality Statements completed annually	9
	Do internal auditors avoid any conflict of interest, whether apparent or actual?	Y			Declaration of Interests and Confidentiality Statements completed annually	9
	<i>1130 Impairment to Independence or Objectivity</i>					
	If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties (depending on the nature of the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)?				There has been no apparent impairment of independence or objectivity that required reporting to senior management. In the event that this did occur then a report would be submitted as appropriate.	
	Have internal auditors assessed specific operations for which they have been responsible within the previous year?	Y				

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	If there have been any assurance engagements in areas over which the CAE also has operational responsibility, have these engagements been overseen by someone outside of the internal audit activity	y			Internal Audit has a role with regards to Information Assurance with one of the audit technicians being 0.5 FTE of an Information Assurance officer. Information assurance/security forms parts of audits role and is covered in the CIPFA document Role of the Head of Internal Audit, this does not therefore compromise any of our independence.	13
LGAN	Are assignments for on-going assurance engagements and other audit responsibilities rotated periodically within the internal audit team?	Y			<p>Audit assignments are rotated as much as possible within the confines of a small team.</p> <p>Try to rotate as much as possible if resources and experience allow, depending on experience and work available. However limitations due to small team. Also there can be advantages to the same person doing an audit on a couple of consecutive occasions and this is done, although would try to rotate every so often to widen experience and to allow a fresh pair of eyes to look at the system.</p> <p>Sometimes there is a benefit to allow an auditor to complete a review on 2 consecutive occasions.</p>	
LGAN	Have internal auditors declared interests in accordance with organisational requirements?	Y			Confidentiality Agreements are completed on an annual basis	9
LGAN	Where any internal auditor has accepted any gifts, hospitality, inducements or other benefits from employees, clients, suppliers or other third parties (other than as may be allowed by the organisation's own policies), has this been declared and investigated fully?	Y			No Gifts or Hospitality have been received/offered to the internal auditors. There is a corporate policy on Gifts and Hospitality that is communicated annually to all staff. The Internal Auditors are aware of this.	19

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
LGAN	Have any instance been discovered where an internal auditor has used information obtained during the course of duties for personal gain?			N	None known	
LGAN	Have internal auditors disclosed all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice, subject to any confidentiality agreements?	Y				
LGAN	Have internal auditors complied with the Bribery Act 2010?	Y			Bribery Act covered as part of mandatory briefings to all staff and also part of on-line e-learning package on Fraud & Corruption. New training packages were purchased during 2015/16 in relation to Whistleblowing and Bribery. Whistleblowing was rolled out in 2015/16 it is proposed to roll out the Bribery package during 2017/18	6 a - e
	If there has been any real or apparent impairment of independence or objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted?				N/A	
	Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the board before the engagement was accepted?				N/A	
3.3	1200 Proficiency and Due Professional Care					
	<i>1210 Proficiency</i>					
	Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	Y			The Head of Audit & Elections is CIPFA qualified	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Is the CAE suitably experienced?	Y			Head of Audit & Elections – 26 years audit experience, 18 years at supervisory role, 11 years in Management capacity.	
LGAN	Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	Y				
LGAN	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?	Y			Job Descriptions and Person specifications are reviewed regularly to ensure they are up to date and in any event these would be done at the recruitment stage.	
	Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	Y				
	Where the internal audit activity does not possess the skills, knowledge and other competencies required to perform its responsibilities, does the CAE obtain competent advice and assistance?	y				
	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	Y			Head of Audit & Elections undertaken Fraud Loss Measurement Training course with BDO & PKF The authority is a member of the Midlands Fraud Forum which comprises public and private sector organisations that come together to share best practice in relation to fraud and tackling fraud issues.	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Do internal auditors have sufficient knowledge of key information technology risks and controls?		P		This has been identified as an area of weakness within the team as it is such a specialist area of work. The size of the audit team does not justify a FTE Computer Audit Specialist therefore the Audit service currently buys in 30 days specialist computer audit work as part of the annual audit plan. In addition to this the Staffordshire Chief Auditors Group are trying to develop the IT skills within our own teams through an IT Sub Group which comprises auditors with some IT awareness – the aim of the group is to share best practice in order to enhance the skills in this area.	
	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		This is an area that needs to be developed.	
	1220 Due Professional Care					
	Do internal auditors exercise due professional care by considering the: <ul style="list-style-type: none"> a) Extent of work needed to achieve the engagement's objectives? b) Relative complexity, materiality or significance of matters to which assurance procedures are applied? c) Adequacy and effectiveness of governance, risk management, and control processes? d) Probability of significant errors, fraud, or non-compliance? e) Cost of assurance in relation to potential benefits? 	Y			Objectives for Audit Briefs and Audit Programmes are based on CIPFA control matrices. In addition to these discussions are held with the relevant Head of Service or Service Manager prior to the Audit Brief being issued in order to identify areas of concern/weakness that the management may have identified or need reviewing.	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	<p>Do internal auditors exercise due professional care during a consulting engagements by considering the:</p> <ul style="list-style-type: none"> a) Needs and expectations of clients, including the nature, timing and communication of engagement results? b) Relative complexity and extent of work needed to achieve the engagement's objectives? c) Cost of the consulting engagement in relation to potential benefits? 	Y			An Audit protocol has been developed that provides for pre audit discussion with clients before audit brief produced to ensure objectives are agreed and any existing audit programmes are up to date.	20
	<i>1230 Continuing Professional Development</i>					
LGAN	Has the CAE defined the skills and competencies for each level of auditor?	Y			The CIPFA Excellent Internal Auditor competencies are applied	21
LGAN	Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	Y			These are reviewed annually as part of employee appraisal process	
	Do internal auditors undertake a programme of continuing professional development?	Y			The work based employee appraisal scheme covers this and has been approved by the relevant professional organisations	10
	Do internal auditors maintain a record of their professional development and training activities?		P		Yes these are maintained in a training log – although this needs to be reviewed and updated	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
3.4	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?	y			The PSIAS are reviewed/updated annually – action plan is derived from this and report to A&R committee as part of the overall governance statement process. A QAIP has been developed by SCAG and is in the process of being implemented. An external assessment was completed in January 2017	
	Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?	y			The PSIAS are reviewed/updated annually – action plan is derived from this and report to A&R committee as part of the overall governance statement process. A QAIP has been developed by SCAG and is in the process of being implemented. An external assessment was completed in January 2017	
	Does the CAE maintain the QAIP	y			The PSIAS are reviewed/updated annually – action plan is derived from this and report to A&R committee as part of the overall governance statement process. A QAIP has been developed by SCAG and is in the process of being implemented. An external assessment was completed in January 2017	
LGAN	If the organisation is a “larger relevant body” in England, does it conduct a review of the effectiveness of its internal audit at least annually, in accordance with the Accounts and Audit (England) Regulations 2011?				N/A	
	1310 Requirements of the Quality Assurance and Improvement Programme?					
	Does the QAIP include both internal and external assessments?	y			yes	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	1311 Internal Assessments					
LGAN	Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	Y				
	Do internal assessments include on-going monitoring of the internal audit activity, such as:- a) Routine quality monitoring processes? b) Periodic assessments for evaluating conformance with the PSIAS?	Y	P		All reports are reviewed at the draft stage by the Head of Audit & Elections before they are issued. In addition a further review is made of the final report once the findings and recommendations have been discussed and agreed. Working papers are reviewed – however given that they are stored as word/excel documents within Microsoft office – it is not practical for the Head of Audit & Elections to go in and sign off every WP. Pentana has been developed over the course of 2016/17 and this will be continued going forward.	
LGAN	Does on-going performance monitoring include comprehensive performance targets?	Y			Performance targets are set annually and progress against these are reported on a quarterly basis to Audit and Risk Committee	
LGAN	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	Y			Performance targets are discussed as part of the appraisal process and also reported to Audit and Risk Committee	
LGAN	Does the CAE measure, monitor and report on progress against these targets?	Y			Progress against performance targets are reported quarterly to the Audit and Risk Committee	22
LGAN	Does on-going performance monitoring include obtaining stakeholder feedback?	Y			Satisfaction surveys sent to clients at the end of each audit review, an annual survey is sent to EMT, WMT & BM	23 a&b

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Are periodic self-assessments or assessments carried out by people external to the internal 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.?	y			An external assessment was completed in January 2017 by CIPFA	
LGAN	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	y			The external assessment was completed in 2017	
	1312 External Assessments					
	Has an external assessment been carried out, or is planned to be carried out, at least once every 5 years?	y			Yes this was completed in January 2017	
LGAN	Has the CAE considered the pros and cons for the different types of external assessment (i.e. "full" or self-assessment plus "independent validation")	Y				
	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?	y			The final report was presented to the Audit & Risk Committee in April 2017.	
LGAN	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?	y			The scope of the assessment was agreed with the S151 officer	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?	y			Completed	
	<p>Has the assessor or assessment team demonstrated its competence in both areas of professional practice of internal auditing and the external assessment process?</p> <p>Competence can be determined in the following ways:</p> <ul style="list-style-type: none"> a) experience gained in an organisation of similar size b) complexity c) sector (i.e. the public sector) d) industry (i.e. 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>	y			Yes	
	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?	y			External assessment completed following joint procurement exercise with SCAG	
	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 part of or under the control of the organisation to which the internal audit activity belongs.	y			External assessment completed following joint procurement exercise with SCAG	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	1320 Reporting on the Quality Assurance and Improvement Programme					
	<p>Has the CAE reported the result of the QAIP to senior management and the board?</p> <p>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 the on-going monitoring must be completed 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. 		P		<p>Report following external assessment has been reported to Audit & Risk Committee.</p> <p>An internal self assessment is completed annually as part of the overall governance review.</p>	
	Has the CAE included the results of the QAIP and progress against any improvements plans in the annual report?	Y			An action plan following the internal self-assessment has been formulated	
	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?	Y				
	1322 Disclosure of non-conformance					
	Has the CAE reported any instances of non-conformance with the PSIAS to the board?	Y			This is part of the action plan	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	Y			No significant deviances identified as part of the self assessment	
4.	Performance Standards					
4.1	2000 Managing the Internal Audit Activity					
	Do the results of the internal audit activity's work achieve the purposes and responsibilities of the activity, as set out in the internal audit charter?	Y				
	Does the internal audit activity conform with the <i>Definition of Internal Auditing</i> and the <i>Standards</i> ?	Y				
	Do individual internal auditors, who are part of the internal audit activity, demonstrate conformance with the <i>Code of Ethics</i> and the <i>Standards</i> ?	Y				
	Does the internal audit activity add value to the organisation and its stakeholders by a) Providing objective and relevant assurance? b) Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes?	Y			Annual Report of the Internal Audit Service Self-assessment against the PSIAS Annual Governance Statement	
	2010 Planning					
	Has the CAE determined the priorities of the internal audit activity in a risk based plan and are these priorities consistent with the organisations goals?	Y				

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Does the risk-based plan take account the requirement to produce an annual internal audit opinion?	Y				
	Does the risk-based plan take into account the organisations assurance framework?	Y			The criteria in risk assessment covers this	3
	Does the risk based plan incorporate or is it linked into a strategic or high-level statement of: <ul style="list-style-type: none"> a) How the internal audit service will be delivered? b) How the internal audit service will be developed in accordance with the internal audit charter? c) How the internal audit service links to organisational objectives and priorities? 	Y			The Audit Charter refers to the risk based audit methodology upon which the audit plan is formulated. The Charter also links to the organisations objectives and priorities.	1
	Does the risk based plan set-out how internal audit's work will identify and address local and national issues and risks?	Y			The criteria in risk assessment covers this	3
	In developing the risk based plan, has the CAE taken into account the organisation's risk management framework and relative risk maturity of the organisation?	Y			The criteria in risk assessment covers this	3
	If such a risk-management framework does not exist, has the CAE used his or her judgement of risks after input from senior management and the board and evidenced this?	Y			In addition to the risk based methodology the Head of Audit & Elections meets with Executive Directors and Heads of Service when formulating the plan and requests input from them.	24

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
LGAN	Does the risk based plan set-out the: a) Audit work to be carried out? b) Respective priorities of those pieces of audit work? c) Estimated resources needed for the work?	Y			The Audit plan contains details of the risk categorisation and the estimated number of days required for each audit assignment	2
LGAN	Does the risk based plan differentiate between audit and other types of work?			N	The audit plan relates to those areas identified for review as a result of the risk assessment however the Head of Audit & Elections when calculating the resource available to complete the plan will have days set aside as a contingency to cover investigations and any consultancy work. The consultancy days are not detailed in the audit plan.	
LGAN	Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	Y			Risk based model covers this and is reviewed annually to ensure that all risks have been adequately reviewed and are covered	
	Does the CAE review the plan on a regular basis and has he or she adjusted the plan when necessary in response to changes in the organisation's business, risks, operations, programmes, systems and controls?	Y			Progress against plan is reviewed quarterly and whenever large investigations/staffing issues arise to ensure that resources can be targeted accordingly.	
	Is the internal audit activity's plan of engagements based on a documented risk assessment?	Y			Audit methodology risk assessment part of audit planning model in APACE	9
	Is the risk assessment used to develop the plan of engagements undertaken at least annually?	Y			Risk assessments are also reviewed and updated at the end of each audit assignment and then these are subsequently updated in APACE	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
LGAN	<p>In developing the risk-based plan, has the CAE also considered the following:</p> <ul style="list-style-type: none"> a) Any declarations of interest (for the avoidance of conflicts of interest)? b) The requirement to use specialists, e.g. IT or contract and procurement auditors? c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary? d) The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CAE opinion? 	Y			<p>The declarations of interest statements are reviewed.</p> <p>There is a provision within the audit budget to buy in 30 days specialist computer audit work.</p> <p>In calculating audit days available a contingency is taken out of this allocation to allow a small amount of contingency time for special investigations and projects etc.</p>	
	Is the input of senior management and the board considered in the risk assessment process?	Y			Head of Audit & Elections meets with HoS to go through audit areas, requests made to HoS to identify new areas and where functions have ceased to exist etc. All these are fed into the Risk Assessment model	24
	Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	Y			Head of Audit & Elections meets with HoS to go through audit areas, requests made to HoS to identify new areas and where functions have ceased to exist etc. All these are fed into the Risk Assessment model	
	Does the CAE take into consideration any proposed consulting engagement's potential to improve the management of risks, to add value and to improve the organisation's operations before accepting them?	Y			Head of Audit & Elections meets with HoS to go through audit areas, requests made to HoS to identify new areas and where functions have ceased to exist etc. All these are fed into the Risk Assessment model	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Are consulting engagements that have been accepted included in the risk-based plan?	Y			Areas put forward by HoS are risk assessed in the same way to ensure all reviews are treated consistently.	
	<i>2020 Communication and Approval</i>					
	Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	Y			A copy of the audit plan is circulated to Executive Management Team, Heads of Service and Business Managers	
	Has the CAE communicated any significant interim changes to the plan and/or resource requirements to senior management and the board for review and approval, where such changes have arisen?	Y			Where changes to the plan are required these are reported to the A&R committee	
	Has the CAE communicated the impact of any resource limitations to senior management and the board?	Y			Where changes to the plan are required these are reported to the A&R committee. The consequences of these changes are also included in this report	
	<i>2030 Resource Management</i>					
	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	Y				
LGAN	Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise abortive work and time?	Y			Where possible audit reviews are scheduled in conjunction with management	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
LGAN	<p>If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board?</p> <p>This may include an imbalance between the work plan and resource availability and/or other significant matters that jeopardise the delivery of the plan or require it to be changed.</p>	Y			<p>Reports have been presented to EMT and where appropriate approval has been granted to buy in additional audit resource in the form of agency work</p>	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	<i>2040 Policies and Procedures</i>					
	Has the CAE developed and put into place policies and procedures to guide the internal audit activity?		P		<p>A folder is maintained electronically of all Audit Documentation – this contains audit briefs and programmes.</p> <p>CIPFA Audit Manual is available for all auditors – an audit manual is currently being developed.</p> <p>Audit Protocol sets out procedures for auditors to follow – this document is also circulated to EMT, HoS & Business Managers as well as being available on the intranet.</p> <p>The audit documentation folder needs further development – this would be assisted with a fully integrated audit management system.</p>	
LGAN	<p>Has the CAE established policies and procedures to guide staff in performing their duties in a manner that conforms to the PSIAS?</p> <p>Examples include maintaining an audit manual and/or using electronic management systems.</p>		P		<p>A folder is maintained electronically of all Audit Documentation – this contains audit briefs and programmes.</p> <p>CIPFA Audit Manual is available for all auditors– an audit manual is currently being developed.</p> <p>Audit Protocol sets out procedures for auditors to follow – this document is also circulated to EMT, HoS & Business Managers as well as being available on the intranet.</p> <p>The audit documentation folder needs further development – this would be assisted with a fully integrated audit management system.</p>	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
LGAN	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	Y			<p>Reviewed each time audit documentation is accessed from the folder to ensure these are updated.</p> <p>Audit Protocol reviewed as a minimum on an annual basis. Audit Protocol sets out procedures for auditors to follow – this document is also circulated to EMT, HoS & Business Managers as well as being available on the intranet.</p>	
	<i>2050 Coordination</i>					
	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?			N	This needs to be developed	
LGAN	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?			N	This needs to be developed	
	Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?	Y				
LGAN	Does the CAE meet regularly with he nominated external audit representative to consult on and coordinate their respective plans?	Y			Quarterly meetings held with External Auditors – Grant Thornton	
	<i>2060 Reporting to Senior Management and the Board</i>					

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	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 plan?	Y			Monthly reports are produced for EMT in relation to audit assurance and implementation of audit recommendations. Quarterly reports are presented to Audit and Risk Committee in relation to progress against the audit plan and performance indicators, and also levels of assurance	17 25
	Does the periodic reporting also include the significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?	Y			Included in progress reports to Audit and Risk Committee. Risks and control issues included as part of risk assessment methodology which is reviewed at the end of each audit assignment and the risk model is then updated accordingly	
	Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependant on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management and the board?	Y			Monthly reports on outstanding recommendations reported to EMT and Heads of Service. In addition quarterly reports are presented to Audit and Risk Committee.	
	<i>2070 External Service Provider and Organisational Responsibility for Internal Auditing</i>					
	Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining an effective internal audit activity remains with the organisation?				N/A	
4.2	2100 Nature of Work					

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Does the internal audit activity evaluate and contribute to the improvement of the organisation's governance, risk management and internal control processes?	Y			Risk assessment methodology and consultation with relevant managers	
	Does the internal audit activity evaluate and contribute to the improvement of the above using a disciplined and systematic approach and is this evidenced?			N	Need to develop a way of evidencing this.	
	2010 Governance					
	Does the internal audit activity: <ul style="list-style-type: none"> a) Promote appropriate ethics and values within the organisation? b) Ensure effective organisational performance management and accountability? c) Communicate risk and control information to appropriate areas of the organisation? d) Coordinate the activities of and communicate information among the board, external and internal auditors and management? 	Y			Annual Review of Code of Corporate Governance Governance evaluation is completed annually to support production of the Annual Governance Statement Risks are identified and reported accordingly to relevant managers as part of the audit reports	
	Does the internal audit activity assess and make appropriate recommendations for improving the governance process as part of accomplishing those objectives?	Y			Where issues are identified these are reported as recommendations to the relevant managers.	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	<p>Has the internal audit activity evaluated the:</p> <ul style="list-style-type: none"> a) Design b) Implementation, and c) Effectiveness <p>of the organisation’s ethics related objectives, programmes and activities?</p>			N	This needs to be developed	
	<p>Has the internal audit activity assessed whether the organisation’s information technology governance supports the organisation’s strategies and objectives?</p>	Y			A separate independent risk assessment is completed by an external computer auditor in relation to ICT areas – this informs the computer audit days that are brought in as part of the audit plan.	
LGAN	<p>Has the CAE considered the proportionality of the amount of work required to assess the ethics and information governance of the organisation when developing the risk-based plan?</p>	Y			All aspects are considered when formulating the audit plan	
	2120 Risk Management					
	<p>Has the internal audit activity evaluated the effectiveness of the organisation’s risk management processes by determining that:</p> <ul style="list-style-type: none"> a) Organisational objectives support and align with the organisation’s mission? b) Significant risks are identified and assessed? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts? 	Y			Risk Management is included in the audit plan, in addition the risks in relation to service areas are reviewed as part of every audit assignment, the auditors have access to the risk management system GRACE.	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	Y			A fraud awareness guide has been produced and circulated to managers. This guide contains a risk assessment proforma which managers are requested to complete and return to the Head of Audit & Elections, these are then used to inform the audit planning process.	27 & 27a
	Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	Y				
	Are internal auditors alert to other significant risks when undertaking consulting engagements?	Y			Reports are obtained from the Risk Management System, GRACE	
	Do internal auditors successfully avoid managing risks themselves, which would in effect lead to taking on management responsibility, when assisting management in establishing or improving risk management processes?	Y			Any issues identified would be reported to management and recommendations would be made accordingly.	
	2130 Control					
	Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that: <ul style="list-style-type: none"> a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts? 	Y			Risk Management and Strategic Risks are specific audit areas within the audit plan.	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	Y				
4.3	2200 Engagement Planning					
	Do internal auditors develop and document a plan for each engagement?	Y			An audit brief is produced for each audit assignment – these are completed by reviewing previous audit report and in consultation with the relevant service manager.	28
	Does the engagement plan include the engagements: a) Objectives? b) Scope? c) Timing? d) Resource allocations?	Y			See copy of audit brief	28

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	<p>Do internal auditors consider the following in planning an engagement, and is this documented:</p> <ul style="list-style-type: none"> a) The objectives of the activity being reviewed? b) The means by which the activity controls its performance? c) The significant risks to the activity being audited? d) The activity's resource e) The activity's operations f) The means by which the potential impact of the 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? h) The opportunities for making significant improvements to the activity's governance, risk management and control processes? 	Y			Audit Brief covers all these areas; brief is discussed with relevant service manager before issue. To ensure that objectives timescales etc are agreed with management.	28

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	<p>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:</p> <ul style="list-style-type: none"> a) Objectives? b) Scope? 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)? 				<p>N/A</p> <p>No audits have been completed for a party outside of the organisation.</p>	
	<p>For consulting engagements, have internal auditors established an understanding with the engagement clients about the following:</p> <ul style="list-style-type: none"> a) Objectives? b) Scope? c) The respective responsibilities of the internal auditors and the client and other client expectations? 	Y			<p>Audit Briefs are drawn up in consultation with the relevant service managers</p>	
	<p>For significant consulting engagements, has this understanding been documented?</p>		P		<p>This would normally be in the form of email correspondence nothing formal exists at present</p>	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	2210 Engagement Objectives					
	Have objectives been agreed for each engagement?	Y			Audit Brief covers these – initially these are formulated using CIPFA matrices. Heads of Service and Business Managers are also consulted in relation to these.	
	Have internal auditors carried out a preliminary risk assessment of the activity under review?	Y			Risks are identified as part of the control matrices	
	Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	Y			Yes audit briefs are reviewed and updated for each audit assignment	
	Have internal auditors considered the probability of the following, when developing the engagement objectives: a) Significant errors? b) Fraud? c) Non-compliance? d) Any other risks?	Y				
	Have internal auditors ascertained whether managements and/or the board have established adequate criteria to evaluate and determine whether objectives and goals have been accomplished?	Y			These will be contained within service plans which again are reviewed as part of each audit assignment.	
	If the criteria have been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?	Y				

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	If the criteria have been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	Y			Audit testing and then recommendations will be developed accordingly	
LGAN	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?	Y				
	Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	Y				
	Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	Y				
	<i>2220 Engagement Scope</i>					
	Is the scope that is established for the engagement sufficient to satisfy the engagement's objectives?	Y			Objectives discussed and agreed with management	
	Does the engagement scope include consideration of the following relevant areas of the organisation: a) Systems? b) Records? c) Personnel? d) Premises?	Y				

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Does the engagement scope include consideration of the following relevant areas under the control of outside parties, where appropriate: a) Systems? b) Records? c) Personnel? d) Premises?	Y			The audit brief will consider all aspects of the audit and these issues will be discussed with the relevant manager prior to the audit commencing to ensure that all aspects are considered.	
	Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up?		P		Where additional issues arise that require consideration – Head of Audit & Elections will consult with management – dependent upon the issues that have been identified these will either be reviewed at the time as an additional piece of work or will be included in next year’s audit plan. Resources within a small team do not allow every issue to be reviewed.	
	Where significant consulting opportunities have arisen during an assurance engagement, were the results of the subsequent engagement communicated in accordance with the relevant consulting Standards?	Y			All issues identified will be included in the audit report	
	For a consulting engagement, was the scope of the engagement sufficient to address any agreed-upon objectives?	Y			Scope and objectives would be agreed with management	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	If the internal auditors developed any reservations about the scope of a consulting engagement while undertaking that engagement, did they discuss those reservations with the client and therefore determine whether or not to continue with the engagement?	y			Auditors will in the first instance raise concerns with the Head of Audit & Elections who will inform the relevant managers if it is appropriate to do so.	
	During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	Y				
	During consulting engagements, were internal auditors alert to any significant control issues?	Y			Significant control issues if they exist will arise from assignment objectives	
	<i>2230 Engagement Resource Allocation</i>					
	Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of the engagement based on: <ul style="list-style-type: none"> a) The nature and complexity of each individual engagement? b) Any time constraints? c) The resources available? 	Y			This forms part of the audit needs assessment process that feeds into the audit planning model. The level of resource required for each audit assignment is determined at the outset. The audit brief does contain a note to the effect that the number of days is an estimate and may change dependent upon the findings of the review. Should the resources be insufficient this will be noted and the days altered in the planning model accordingly. Audit planning model is reviewed according to resources available and assignments prioritised in terms of risk category for the review.	
	<i>2240 Engagement Work Programme</i>					
	Have internal auditors developed and documented work programmes that achieve the engagement objectives?	Y			Audit programmes detailing key control objectives are available for each audit review – these are based on CIPFA control matrices	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Do the engagement work programmes include the following procedures for: a) Identifying information? b) Analysing information? c) Evaluating information? d) Documenting information?	Y				
	Were work programmes approved prior to implementation for each engagement?	Y			These are discussed alongside audit brief, the Head of Audit & Elections will review the audit programmes before the review starts however the client does not receive a copy	
	Were any adjustments required to work programmes approved promptly?	Y			Programmes and are reviewed and updated at the start of the review, if issues are identified during the review these will be updated accordingly.	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
4.4	2300 Performing the Engagement					
	Have internal auditors carried out the following in order to achieve each engagement's objectives: a) Identify sufficient information? b) Analyse sufficient information? c) Evaluate sufficient information? d) Document sufficient information?	Y				
	<i>2310 Identifying Information</i>					
	Have internal auditors identified the following in order to achieve each engagement's objectives: a) Sufficient information? b) Reliable information? c) Relevant information? d) Useful information?	Y				
	<i>2320 Analysis and Evaluation?</i>					
	Have internal auditors based their conclusions and engagement results on appropriate analyses and evaluations?	Y			Test sheets detailing tests undertaken are completed for each control identified and tested. Working papers are compiled to support this testing	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
LGAN	<p>Have internal auditors remained alert to the possibility of the following:</p> <ul style="list-style-type: none"> a) Intentional wrongdoing b) Errors and omissions c) Poor value for money d) Failure to comply with management policy, and e) Conflicts of interest <p>when performing their individual audits, and has this been documented?</p>	Y			Controls and objectives identified and detailed in the audit programmes are designed to identify these	
	<i>2330 Documenting Information</i>					
	Have internal auditors documented the relevant information required to support engagement conclusions and results?	Y			Test sheets detailing tests undertaken are completed for each control identified and tested. Working papers are compiled to support this testing	
LGAN	Are working papers sufficiently complete and detailed to enable another experienced internal auditor with no previous connection to the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached?	Y			Test sheets detailing tests undertaken are completed for each control identified and tested. Working papers are compiled to support this testing. All working papers are filed electronically.	
	Does the CAE control access to engagement records?	Y			Internal Audit has a shared drive which is accessible to all the audit team	
	Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?				This would be done in accordance with the Information Security Policies and compliance with the Data Protection Act.	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Has the CAE developed and implemented retention requirements for all types of engagement records?	Y			A records retention policy is in place for Internal Audit	
	Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	Y			The records of retention policy was formulated by Internal Audit following CIPFA guidelines	
	2340 Engagement Supervision					
	Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	Y				
	Is appropriate evidence of supervision documented and retained for each engagement?		P		There will be email correspondence that evidences this but nothing formal is in place. A process needs to be developed – the implementation of an integrated audit management system would assist with this.	
4.5	2400 Communicating Results					
	Do internal auditors communicate the results of engagements?	Y			A written report is completed at the end of each review	
	2410 Criteria for Communicating					
	Do the communications of engagement results include the following: a) The engagement's objectives? b) The scope of the engagement? c) Applicable conclusions? d) Recommendations and action plans, if appropriate?	Y			There is a standard report template that is used for all audit assignments; this provides details of the scope and objectives of the report together with a summary of findings and an action plan that details the recommendations made.	29

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
LGAN	Has the internal auditor discussed the contents of the draft final report with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions?	Y			All reports are discussed in draft before being issued as a final – this gives management the opportunity to discuss findings/recommendations and where appropriate agree timescales for implementation of these	
LGAN	If recommendations and an action plan have been included, are recommendations prioritised according to risk?	Y			Recommendations are categorised as High, Medium or Low	
LGAN	If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?	Y			Draft discussions allow for management to discuss and agree the findings and provide feedback on these. Management comments are recorded in the action plan.	
LGAN	If there are any areas of disagreement between the internal auditor and management, which cannot be resolved by discussion, are these recorded in the action plan and the residual risk highlighted?	Y			These would be recorded under management comments in the action plan.	
LGAN	Do internal auditors disclose all material facts known to them in them in their audit reports which, if not disclosed, could distort their reports or conceal unlawful practice, subject to confidentiality requirements?	Y			All findings are disclosed – even minor issues these are covered as a point to note within the report	
LGAN	Do final communications of engagement results contain, where appropriate, the internal auditor’s opinions and/or conclusions, building up to the annual internal audit opinion on the control environment?	Y			All reports contain a level of assurance based upon the number and categorisation of audit recommendations. Details of how the level of assurance is calculated is detailed in the audit protocol document that is communicated to all managers	20

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	Y			All reports contain a level of assurance based upon the number and categorisation of audit recommendations. Details of how the level of assurance is calculated is detailed in the audit protocol document that is communicated to all managers	
	When an opinion or conclusion is issued, is it supported by sufficient, reliable, relevant and useful information?	Y			All reports contain a level of assurance based upon the number and categorisation of audit recommendations. Details of how the level of assurance is calculated is detailed in the audit protocol document that is communicated to all managers	
	Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	Y			Reports will confirm where functions are reporting well.	
	When engagement results have been released to parties outside of the organisation, does the communication include limitations on the distribution and use of the results?	Y			This would be done in accordance with the Information Security Policies and compliance with the Data Protection Act.	
LGAN	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 service?					
	2420 Quality of Communications					

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Are communications: <ul style="list-style-type: none"> a) Accurate? b) Objective? c) Clear? d) Concise? e) Constructive? f) Complete? g) Timely? 	Y			The standard report template ensures consistency in the way that findings from the review are communicated. Draft discussions on the audit findings are completed within 10 working days of the draft being agreed by the Head of Audit & Elections. Audit satisfaction surveys allow managers to feed back any concerns they have in relation to the way the audit was conducted.	
	2421 Errors and Omissions					
	If a final communication has contained a significant error or omission, did the CAE communicate the corrected information to all parties who received the original communication?	Y			If errors are identified these are corrected and an updated version of the reports is reissued	
	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?			N	Internal Audit reports do not state that they have been conducted in accordance with the PSIAS standards	
	2431 Engagement Disclosure of Non-conformance					

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	<p>Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following:</p> <ul style="list-style-type: none"> a) The principle rule of conduct of the <i>Code of Ethics</i> or <i>Standard(s)</i> with which full conformance was not achieved? b) The reason(s) for non-conformance? c) The impact of non-conformance on the engagement and the engagement results? 			N	<p>This is not done at present consideration will be given to the need to disclose such information as part of the audit assignments – in the event that this should occur</p>	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	2440 Disseminating Results					
	Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	Y			This is set out in the Audit Protocol. Where corporate reviews are undertaken – reporting is done at directorate level so as to maintain confidentiality within the directorates	20
	Has the CAE communicated engagement results to all appropriate parties?	Y			This is set out in the Audit Protocol. Where corporate reviews are undertaken – reporting is done at directorate level so as to maintain confidentiality within the directorates Summaries of reviews are presented quarterly to the Audit and Risk Committee as part of the Internal Audit progress reports.	
	Before releasing engagement results to parties outside the organisation did the CAE: a) Assess the potential risk to the organisation? b) Consult with senior management and/or legal counsel as appropriate? c) Control dissemination by restricting the use of results?	Y			This would be considered in accordance with the Council’s Information Security Policies and the requirements of the Data Protection Act.	
	Where any significant governance, risk and control issues were identified during consulting engagements, were these communicated to senior management and the board?	Y				
	2450 Overall Opinion					
	Has the CAE delivered an annual internal audit opinion?	Y			An annual Internal Audit Opinion is included in the Annual report of the Internal Audit Service.	14

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?	Y			An annual Internal Audit Opinion is included in the Annual report of the Internal Audit Service.	14
	Does the annual audit opinion take into account the expectations of senior management, the board and other stakeholders?	Y				
	Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information?	Y			This is supported by the work of the audit team, completion of audit assignments contained within the annual audit plan.	
	Does the communication identify the following: a) The scope of the opinion, including the time period to which the opinion relates? b) Any scope limitations? c) The consideration of all related projects including the reliance on other assurance providers? d) The risk or control framework or other criteria used as a basis for the overall opinion?	Y			See Annual Report of the Internal Audit Service	
	Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	Y			Where applicable reasons would be documented and evidenced	
	Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?	Y			The annual report forms part of the evidence that supports the AGS	

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
LGAN LGAN LGAN LGAN LGAN LGAN	Does the annual report incorporate the following: a) The annual internal audit opinion b) A summary of the work that supports that opinion? c) A disclosure of any qualifications to the opinion? d) The reasons for any for any qualifications to the opinion? e) A disclosure of any impairments or restrictions in scope? f) A comparison or work actually carried out with the work planned? g) A statement on conformance with the PSIAS h) The results of the QAIP i) Progress against any improvement plans resulting form the QAIP? j) A summary of the performance of the internal audit activity against its performance measures and targets? k) Any other issues which the CAE judges is relevant to the preparation of the governance statement?		P		A QAIP has now been developed through SCAG – these issues are included in the Annual Report which is presented as part of the evidence for the AGS	
4.6	2500 Monitoring Progress					

Ref	Conformance with the Standard	Y	P	N	Evidence	Ref
	Has the CAE established a process to monitor and follow-up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action?	Y			Monthly assurance statements are prepared on a Directorate basis – these are based on the number of recommendations implemented and those outstanding in a given month. Reports of the recommendations that require action during the month are also sent to managers as a reminder. In addition monthly reports are also produced for EMT	30 25
	Where issues have changed during the follow-up process, has the CAE considered revising the internal audit opinion?			N	Audit opinion is based on findings at time of review – this would be reviewed as part of the next audit assignment	
	Do the results of monitoring management actions inform the risk-based planning of future audit work?	Y				
	Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	Y			These would be monitored in the same way as audit assignments	
4.7	2600 Communicating the Acceptance of Risks					
	If the CAE has concluded that management has accepted a level of risk that may be unacceptable to the organisation, has he or she discussed the matter with senior management?	Y			This would be discussed with the relevant Director and Head of Service	
	If, after discussion with senior management, the CAE continues to conclude that they level of risk may be unacceptable to the organisation, has he or she communicated the situation to the board?	Y			These would be included in relevant reports to the Audit and Risk Committee	