

SELF ASSESSMENT FOR 2011/12 IN ACCORDANCE WITH THE CIPFA CODE OF PRACTICE FOR INTERNAL AUDIT IN LOCAL GOVERNMENT

Please tick to indicate Y = YES, P = PARTIAL, N = NO. Where 'partial' or 'no', you should give reasons for any non-compliance and any compensating measures in place or actions in progress to address this.

Ref	Adherence to the Standard	Y	P	N	Evidence	Notes
1	Scope of Internal Audit					
1.1	Terms of Reference					
1.1.1	Do terms of reference:					
	(a) establish the responsibilities and objectives of Internal Audit?	✓			1	TOR 1,2 & 3
	(b) establish the organisational independence of Internal Audit?	✓			1	TOR 5
	(c) establish the accountability, reporting lines and relationships between the Head of Internal Audit and:	✓			1	TOR 3 & 8
	(i) those charged with governance?					
	(ii) those parties to whom the Head of Internal Audit may report?					
	(d) recognise that Internal Audit's remit extends to the entire control environment of the organisation?	✓			1	TOR 3 & 4
	(e) identify Internal Audit's contribution to the review of the effectiveness of the control environment?	✓			1	TOR 3 & 4
	(f) require and enable the Head of Internal Audit to deliver an annual audit opinion?	✓			1	TOR 3
	(g) define the role of Internal Audit in any fraud-related or consultancy work (see also 1.3.2)?	✓			1	TOR 2
	(h) explain how Internal Audit's resource requirements will be assessed?	✓			1	TOR 3 & 7
	(i) establish Internal Audit's right of access to all records, assets, personnel and premises, including those of partner organisations, and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities?	✓			1	TOR 6

APPENDIX A

Ref	Adherence to the Standard	Y	P	N	Evidence	Notes
1.1.2	Does the Head of Internal Audit advise the organisation on the content and the need for subsequent review of the terms of reference?	✓			2	Report to Audit and Risk Committee – updated and reviewed – 30/01/12.
1.1.3	Have the terms of reference been formally approved by the organisation?	✓			2	TOR are reviewed and updated annually and subsequently reported to Audit and Risk Committee.
1.1.4	Are terms of reference regularly reviewed?	✓			1	TOR are reviewed and updated annually and subsequently reported to Audit and Risk Committee.
1.2	Scope of work					
1.2.1	Are the organisation’s assurance, risk management arrangements and monitoring mechanisms taken into account when determining Internal Audit’s work and where effort should be concentrated?	✓			3 & 4	Audit strategy sets out objectives for the Service/Audit Planning based on a risk model in the APACE system. Risks are constantly reviewed and updated.
1.2.3	Where services are provided in partnership has the Head of Internal Audit identified: (a) how assurance will be sought? (b) agreed access rights where appropriate?	✓ ✓			1 1 & 5	TOR 6
1.3	Other Work					
1.3.1	Where Internal Audit undertakes consultancy and/ or fraud and corruption work does it have the: (a) skills, and (b) resources to do this?	✓ ✓				Skills are matched to the nature/type of the investigation.
1.3.2	Do the terms of reference define Internal Audit's role in: (a) fraud and corruption? (b) consultancy work?	✓ ✓			1 1	TOR 2 TOR 2
1.4	Fraud and Corruption					
1.4.2	Has the Head of Internal Audit made arrangements, within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?	✓			6 & 7	Anti Fraud and Anti Corruption Framework, Fraud Response Plan updated in April 2012.

APPENDIX A

2	Independence					
2.1	Principles of Independence					
2.1.1	Is Internal Audit (a) Independent of the activities it audits? (b) free from any non-audit (operational) duties?	✓ ✓			1	TOR 5. Audit Manager has right of access to Chief Executive, Directors, Section 151 Officer, Monitoring Officer, Leader of the Council or the External Auditor as required. 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.
2.1.2	Where internal audit staff has been consulted during system, policy or procedure development, are they precluded from reviewing and making comments during routine or future audits?			✓		In accordance with Code of Practice Internal Audit reserves right to review systems/procedures this does not preclude auditing area at later date.
2.2	Organisational Independence					
2.2.1	Does the status of Internal Audit allow it to demonstrate independence?	✓			1 & 5	Established via TOR, Financial Regulations and compliance with Code of Practice.
2.2.2	Does the Head of Internal Audit have direct access to: (a) Officers? (b) Members?	✓ ✓			1 1	TOR 5 & 6 TOR 5 & 6
2.2.3	Does the Head of Internal Audit report in his or her own name to members and officers?	✓			1	TOR 5 & 8
2.2.4	(a) Is there an assessment that the budget for Internal Audit is adequate? (b) Does any budget delegated to service areas ensure that: (i) Internal Audit adherence to the Code is not compromised? (ii) Internal Audit can continue to provide assurance for the Statement on Internal Control?	✓ ✓ ✓ ✓			3 3	Audit Strategy 2012-2015 Audit Strategy 2012-2015

APPENDIX A

	(iii) the scope of Internal Audit is not affected?	✓				
2.2	Status of the Head of Internal Audit					
2.3.1	Is the Head of Internal Audit managed by a member of the corporate management team?	✓			8	The Audit Manager reports directly to the Executive Director (Resources & Support Services). The Audit Manager is a member of the Wider Management Team.
2.5	Independence of Internal Audit Contractors					
2.5.1	Does the planning process recognise and tackle potential conflicts of interest where contractors also provide non-internal audit services?	✓				Issue has not previously arisen but would seek to reduce any conflicts in they arose.
2.6	Declaration of Interest					
2.6.1	Do audit staff make formal declarations of interest?	✓			9	Actual signed copies are retained on Audit Planning File.
2.6.2	Does the planning process take account of the declarations of interest registered by staff?	✓				Formal note for e.g. Audit Manager has sister who works in Regeneration and Development Directorate – Audit Manager does not undertake any audits in this area.
3	Ethics for Internal Auditors					
3.1	Purpose					
3.1.1	Does the Head of Internal Audit regularly remind staff of their ethical responsibilities?	✓			9	Confidentiality Statement, plus all Auditors have seen Code of Practice.
3.2	Integrity					
3.2.1	Has the internal audit team established an environment of trust and confidence?	✓				Executive Directors and Heads of Services request advice from Internal Audit which is an indication of trust and respect and often look to Internal Audit for reassurance prior to engaging in new initiatives and advice.
3.2.1	Do internal auditors demonstrate integrity in all aspects of their work?	✓				Nothing has been identified that shows any weakness in integrity of the Auditor
3.3	Objectivity					
3.3.2	Are internal auditors perceived as being objective and free from conflicts of interest?	✓			9	Statement of Independence and Confidentiality.
3.3.3	Is a time period set by the Head of Internal Audit for staff where they do not undertake an audit in an area where they have had previous operational roles?	✓				

APPENDIX A

3.3.4	Are staff rotated on regular/ annually audited areas?		✓			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 avoid cosy relationships or to allow a fresh pair of eyes to look at the system.
3.4	Competence					
3.4.1	Does the Head of Internal Audit ensure that staff have sufficient knowledge of:					
	(a) The organisation's aims objectives, risks and governance arrangements?	✓			1 & 3	Corporate Documents – Strategy, TOR etc circulated.
	(b) The purpose, risks and issues of the service area?	✓			1 & 3	Regular Team Briefings – ensure staff are aware of Corporate Issues.
	(c) The scope of each audit assignment?	✓			1 & 3	Audit Briefs reviewed/updated annually or as required by Auditor and Audit Manager.
	(d) Relevant legislation and other regulatory arrangements that relate to the audit?	✓			1 & 3	
3.5	Confidentiality					
3.5.1	Do internal audit staff understand their obligations in respect to confidentiality?	✓			9	Statement of Independence and Confidentiality.
4	Audit Committees					
4.1	Purpose of the Audit Committee					
4.1.1	Does the organisation have an independent audit committee?	✓			10	Audit and Risk Committee Terms of Reference
4.2	Internal Audit's Relationship with the Audit Committee					
4.2.1	Is there an effective working relationship between the audit committee and Internal Audit?	✓				Audit Manager has monthly meetings with Chair and Vice Chair of Committee to discuss monthly assurance statements issued to Executive Directors.
4.2.2	Does the committee approve the internal audit strategy and monitor progress?	✓			2, 3 & 11	Approved Strategy for 2012-2015 on 31/01/12, receives quarterly reports on progress.
4.2.3	Does the committee approve the annual internal audit plan and monitor progress?	✓			11 & 12	Audit plan 2012/13 approved by Audit and Risk Committee 31/01/12 and receives quarterly progress reports.
4.2.4	Does the Head of Internal Audit:					

APPENDIX A

	(a) Attend the committee and contribute to its agenda?	✓				
	(b) Participate in the committee's review of its own remit and effectiveness?	✓			10	
	(c) Ensure that the committee receives and understands documents that describe how Internal Audit will fulfil its objectives?	✓			1 & 3	Internal Audit Terms of Reference Audit Strategy 2012-2015
	(d) Report on the outcomes of internal audit work to the committee?	✓			11	E.g. Quarterly progress report (Qtr 1 Apr to Jun 11) reported to Audit & Risk Committee September 2011 No changes required in 2012/13
	(e) Establish if anything arising from the work of the committee requires consideration of changes to the audit plan, or vice versa?	✓				
	(f) Present the annual internal audit report to the committee?	✓			13	Internal Audit Report 2010/11
4.2.5	Is there the opportunity for the Head of Internal Audit to meet privately with the audit committee?	✓				
5	Relationships					
5.1	Principles of Good Relationships					
5.1.2	Is there a protocol that defines the working relationship for Internal Audit with:	✓				
	(a) Management?	✓			1, 32	TOR and Financial Regulations, Audit Protocol Document produced and distributed to Executive Directors and Heads of Service.
	(b) Other internal auditors?		✓			
	(c) External auditors?	✓			14	Protocol exists for working with External Auditors.
	(d) Other regulators and inspectors?		✓		1	TOR 9
	(e) Elected members?		✓		1	
5.2	Relationships with Management					
5.2.1	Does the Head of Internal Audit seek to maintain effective relationships between internal auditors and managers?	✓			22	Monthly Assurance statements sent to Executive Directors
5.2.2	Is the timing of audit work planned in conjunction with management?	✓				Audit Plan is discussed with Management. Audit Briefs issued 5 working days before Audit commences – will try to accommodate management wishes to delay audit – however not always possible to do this.

APPENDIX A

5.3	Relationships with Other Internal Auditors					
5.3.1	Do arrangements exist with other internal auditors that include joint working, access to working papers, respective roles and confidentiality?		✓			The Staffordshire Chief Auditors Group meets on a regular basis and provides a mechanism for sharing information in respect of Audit Programmes etc. In addition Internal Audit provide assurance to Staffordshire County Council in respect of Grant Funding, Pensions and Staffordshire connects
5.4	Relationships with External Auditors					
5.4.2	Is it possible for Internal Audit and External Audit to rely on each other's work?	✓			14 & 15	External Audit relies on the work of IA after completing a review of files. Annual Audit & Inspection letter acknowledges this.
5.4.3	Are there regular meetings between the Head of Internal Audit and the External Audit Manager?	✓				Regular quarterly meetings are scheduled.
5.4.3	Are the internal and external audit plans co-ordinated?	✓				
5.5	Relationships with Other Regulators and Inspectors					
5.5.1	Has the Head of Internal Audit sought to establish a dialogue with the regulatory and inspection agencies that interact with the organisation?		✓			Visits by inspectors etc are mainly co-ordinated by the Performance Management Unit within the Corporate Improvement Team.
5.6	Relationships with Elected Members					
5.6.1	Do the terms of reference for Internal Audit define the channels of communication with members and describe how such relationships should operate?	✓			1	
5.6.1	Does the Head of Internal Audit maintain good working relationships with members?	✓				Regular meetings with Chair and Vice Chair of the Audit and Risk Committee.
6	Staffing, Training and Continuing Professional Development					
6.1	Staffing Internal Audit					
6.1.1	Is Internal Audit appropriately staffed (numbers, grades, qualifications, personal attributes and experience) to achieve its objectives and comply with these standards?	✓			8	
6.1.1	Does the Head of Internal Audit have access to appropriate resources where the necessary skills and expertise are not available within the internal audit team?	✓				Contract with FIT Business Solutions for provision of IT audits.

APPENDIX A

6.1.2	Is the Head of Internal Audit professionally qualified and experienced?	✓				The Audit Manager is CIPFA qualified.
6.1.2	Does the Head of Internal Audit have wide experience of internal audit and management?	✓				Audit Manager – 19 years audit experience, 15 years at supervisory role, 5 years in Management capacity.
6.1.3	(a) Do all internal audit staff have up-to-date job descriptions?	✓			16	
	(b) Are there person specifications that define the required qualifications, competencies, skills, experience and personal attributes for internal audit staff?	✓			17	
6.2	Training and Continuing Professional Development					
6.2.1	(a) Has the Head of Internal Audit defined the skills and competencies for each level of auditor?	✓			17 & 18	Reviewed annually as part of Employee Appraisal Scheme. Corporate Training Scheme. See also individual Employee Appraisal files.
	(b) Are individual auditors periodically assessed against these predetermined skills and competencies?	✓			18	
	(c) Are training or development needs identified and included in an appropriate ongoing development programme?	✓			18, 19 & 20	
	(d) Is the development programme recorded, regularly reviewed and monitored.	✓			18 & 20	
6.2.2	Do individual auditors maintain a record of their professional training and development activities?	✓			20	Individual Training logs maintained by all auditors.
7	Audit Strategy and Planning					
7.1	Audit Strategy					
7.1.1	(a) Is there an <i>internal audit</i> strategy for delivering the service?	✓			3	
	(b) Is it kept up to date with the organisation and its changing priorities?	✓			3	
7.1.2	Does the strategy include:					
	(a) Internal Audit objectives and outcomes?	✓			3	
	(b) How the Head of Internal Audit will form and evidence his or her opinion on the control environment?	✓			3	
	(c) How Internal Audit's work will identify and address local and national issues and risks?	✓			3	
	(d) How the service will be provided, i.e. internally, externally, or a mix of the two?	✓			3	

APPENDIX A

	(e) -The resources and skills required to deliver the strategy?	✓			3	
7.1.3	Has the strategy been approved by the audit committee?	✓			2	Approved 30/01/12 by Audit and Risk Committee.
7.2	Audit Planning					
7.2.1	Is there a risk-based plan that is informed by the organisation's risk management, performance management and other assurance processes?	✓			4	
7.2.1	Where the risk management process is not fully developed or reliable, does the Head of Internal Audit undertake his or her own risk assessment process?	✓				
7.2.1	Are stakeholders consulted on the audit plan?	✓			21	All Executive Directors and Heads of Services are consulted on Plan, before and have opportunity to discuss this once completed.
7.2.2	Does the plan demonstrate a clear understanding of the organisation's functions?	✓			3	Audit Plan aims to cover all services provided by Council and Audits referenced to each Directorate. See Audit Plan attached to Strategy under 3
7.2.3	Does the plan:					
	(a) cover a fixed period of no longer than one year?	✓			3 & 4	
	(b) outline the assignments to be carried out?	✓			3 & 4	
	(c) prioritise assignments?	✓			3 & 4	
	(d) estimate the resources required?	✓			3 & 4	
	(e) differentiate between assurance and other work?		✓		3 & 4	
	(f) allow a degree of flexibility?	✓				
7.2.4	If there is an imbalance between the resources available and resources needed to deliver the plan, is the audit committee informed of proposed solutions?	✓				There was no requirement to realign the plan in 2011-12
7.2.4	Has the plan been approved by the audit committee?	✓			12	
7.2.5	If significant matters arise that jeopardise the delivery of the plan, are these addressed and reported to the audit committee?	✓				

APPENDIX A

8	Undertaking Audit Work					
8.1	Planning					
8.1.1	(a) Is a brief prepared for each audit?	✓			23	Audit Briefs are e-mailed to each Director and relevant Heads of Services, 5 working days prior to start of Audit not always signed and returned email acknowledgement that the document has been read/opened is retained
	(b) Is the brief discussed and agreed with the relevant managers?	✓			23	
8.1.1	Does the brief set out:					Completed examples of Audit briefs can be found on any Internal Audit files.
	(a) objectives?	✓			23	
	(b) scope?	✓			23	
	(c) timing?	✓			23	
	(d) resources?	✓			23	
	(e) reporting requirements?	✓			23	
8.2	Approach					
8.2.1	Is a risk-based audit approach used?	✓			4	Audit risk methodology reviewed as part of every audit and risk model updated accordingly.
8.2.3	Does the audit approach show when management should be informed of interim findings where key (serious) issues have arisen?	✓				Any areas of weakness identified as part of audit or drawn to manager's attention at the time, and always prior to report being issued.
8.2.4	Does the audit approach include a quality review process for each audit?	✓			24	Audit checklists are completed for each audit and used for quality control purposes by Audit Manager.
8.3	Recording Audit Assignments					
8.3.1	Has the Head of Internal Audit defined a standard for audit documentation and working papers?	✓				Audit Manual – CIPFA electronic copy and various paper folders. These can be viewed in office.
8.3.1	Do quality reviews ensure that the defined standard is followed consistently for all audit work?	✓				See various working files.
8.3.2	Are working papers such that an experienced auditor can easily:					See various audit files
	(a) identify the work that has been performed?	✓			24	Control sheets – used for each test and completed by auditors, these sheets summarise sample sizes and findings etc.

APPENDIX A

	(b) re-perform it if necessary?	✓				The control sheets document the exact tests completed, where and who the information can be obtained from.
	(c) see how the work supports the conclusions reached?	✓				
8.3.3	Is there a defined policy for the retention of all audit documentation, both paper and electronic?	✓			25	
8.3.3	Do all retention and access policies conform to appropriate legislation, i.e. Data Protection Act, Freedom of Information Act, etc., and any organisation requirements?		✓			Only audit staff have access to electronic files. Audit reports do not contain disclaimer/notes re DP/FOI.
8.3.3	Is there an access policy for audit files and records?		✓			Access restricted to those who need to see them. Where audit is completed that covers all Directorates, individual “unique” reports are produced for each Director with issues just relevant to their service.
9	Due Professional Care					
9.2	Responsibilities of the Individual Auditor					
9.2.1	Are there documents that set out the requirements on all audit staff in terms of:					
	(a) being fair and not allowing prejudice or bias to override objectivity?	✓			9, 26 & 27	Declaration of interests/confidentiality, Employees Handbook and Employees Code of Conduct
	(b) declaring interests that could be perceived to be conflicting or could potentially lead to conflict?	✓			9	
	(c) receiving and giving gifts and hospitality from employees, clients, suppliers or third parties?	✓			26	Audit Manual, Audit Code of Practice and Anti Fraud and Anti Corruption Framework & Fraud Response Plan.
	(d) using all reasonable care in obtaining sufficient, relevant and reliable evidence on which to base conclusions?	✓				Audit Manual, Audit Code of Practice and Anti Fraud and Anti Corruption Framework & Fraud Response Plan.
	(e) being alert to the possibility of intentional wrongdoing, errors or omissions, poor value for money, failure to comply with management policy or conflict of interest?	✓			6 & 7	Audit Manual, Audit Code of Practice and Anti Fraud and Anti Corruption Framework & Fraud Response Plan.
	(f) having sufficient knowledge to identify indicators that fraud or corruption may have been committed?	✓			6 & 7	Audit Manual, Audit Code of Practice and Anti Fraud and Anti Corruption Framework & Fraud Response Plan.
	(g) disclosing all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice?	✓			9	Audit Manual, Audit Code of Practice and Anti Fraud and Anti Corruption Framework & Fraud Response Plan.
	(h) disclosing any non-compliance with these standards?	✓			9	Audit Manual, Audit Code of Practice and Anti Fraud and Anti Corruption Framework & Fraud Response Plan.

APPENDIX A

	(i) not using information they gain in the course of their duties for personal use?	✓			9	Audit Manual, Audit Code of Practice and Anti Fraud and Anti Corruption Framework & Fraud Response Plan.
9.3	Responsibilities of the Head of Internal Audit					
9.3.1	Has the Head of Internal Audit established a monitoring and review programme to ensure that due professional care is achieved and maintained?	✓			9 & 24	File review process, Audit Checklists and Control Evaluation Sheets.
9.3.2	Are there systems in place for individual auditors to disclose any suspicions of fraud, corruption or improper conduct?	✓			6 & 7 28	Anti Fraud and Anti Corruption Framework & Fraud Response Plan Whistle blowing Policy.
10	Reporting					
10.1	Principles of Reporting					
10.1.1	Is an opinion on the control environment and risk exposure given in each audit report?	✓				See Audit files.
10.1.3	Has the Head of Internal Audit determined the way in which Internal Audit will report?	✓				See Audit files.
10.1.4	Has the Head of Internal Audit set out the standards for internal audit reporting?	✓				See Audit files.
10.1.5	Are there laid-down timescales for reports to be issued?	✓			32	Covered in the Audit Protocol Document
10.2	Reporting on Audit Work					
10.1.4	Do the reporting standards include: (a) format of the reports?	✓			24	Standard template for Regularity/Systems – stored electronically under Audit Documentation/Templates.
10.1.4	(b) quality assurance of reports?	✓				
10.2.2	(c) the need to state the scope and purpose of the audit?	✓				
10.2.1	(d) the requirement to give an opinion?	✓				
10.1.4	(e) process for agreeing reports with the recipient?		✓			
10.2.1	(f) an action plan or record of points arising from the audit and, where appropriate, of agreements reached with management together with appropriate timescales?	✓				
10.2.3	Does the audit reporting process include discussion and agreement of reports?	✓				

APPENDIX A

10.2.4	Has the Head of Internal Audit determined a process for prioritising recommendations according to risk?	✓				
10.2.5	Are areas of disagreement recorded appropriately?	✓				These would be notes in management comments on action plan in the report.
10.2.5	Are those weaknesses giving rise to significant risks that are not agreed drawn to the attention to senior management?	✓				
10.2.6	Is the circulation of each audit report determined when preparing the audit brief?	✓			23	
10.2.6	(a) Does the reporting process include details of circulation of that particular audit report?	✓				
	(b) Is this included in the brief for each individual audit?	✓			23	
10.2.7	Does the Head of Internal Audit have mechanisms in place to ensure that:					
	(a) recommendations that have a wider impact are reported to the appropriate forums?	✓				High risk recommendations will be added to the operational risk assessments for the specific service area and monitored through GRACE as part of the normal risk review process
	(b) risk registers are updated?		✓			There is a process in place for monitoring, reviewing and updating risk registers.
10.3	Follow-up Audits and Reporting					
10.3.1	Has the Head of Internal Audit defined the need for and the form of any follow-up action?	✓				Executive Directors and Heads of Service receive copies of outstanding recommendations on a monthly basis. These outstanding recommendations also form the basis of the monthly assurance statements issued for all Directors.
10.3.2	Has the Head of Internal Audit established appropriate escalation procedures for internal audit recommendations not implemented by the agreed date?	✓			1	TOR 8-High Risk recommendations where target date changed twice or more is reported to Audit and Risk Committee. Where a High Risk recommendation has been changed just once these are reported to Chair and Vice Chair of the Committee for their consideration.
10.3.3	Where appropriate, is a revised opinion given following a follow-up audit and reported to management?	✓				A revised opinion is given as part of each follow-up
10.3.4	Are the findings of audits and follow-ups used to inform the planning of future audit work?	✓			4	Previous audit experience is one of the factors used to determine the risk score for each area on the plan.
10.4	Annual Reporting and Presentation of Audit Opinion					

APPENDIX A

10.4.1	Does the Head of Internal Audit provide an annual report to support the Statement on Internal Control?	✓			13	
10.4.2	Does the Head of Internal Audit's annual report:					
	(a) include an opinion on the overall adequacy and effectiveness of the organisation's control environment?	✓			13	
	(b) disclose any qualifications to that opinion, together with the reasons for the qualification?	✓				
	(c) present a summary of the audit work from which the opinion was derived, including reliance placed on work by other assurance bodies?	✓			13	
	(d) draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Statement on Internal Control?	✓			13	
	(e) compare the actual work undertaken with the planned work and summarise the performance of the internal audit function against its performance measures and targets?	✓			13	
	(f) comment on compliance with the standards of the Code?	✓			13	
	(g) communicate the results of the internal audit quality assurance programme?	✓			13 & 29	
10.4.3	Has the Head of Internal Audit made provision for interim reporting to the organisation during the year?	✓				Regular reports go to Audit and Risk Committee.
11	Performance, Quality and Effectiveness					
11.1	Principles of Performance, Quality and Effectiveness					
11.1.1	Is there an audit manual?	✓				CIPFA model plus shared Audit Documentation Area
11.1.1	Does the audit manual provide guidance on:					
	(a) carrying out day-to-day audit work?	✓				CIPFA Audit Manual plus hybrid of paper files and electronic folders.
	(b) complying with the Code?	✓				
11.1.1	Is the audit manual reviewed regularly and updated to reflect changes in working practices and standards?	✓				

APPENDIX A

11.1.2	Does the Head of Internal Audit have arrangements in place to assess the performance and effectiveness of: (a) each individual audit? (b) the internal audit service as a whole?	✓ ✓			29 30	A satisfaction survey is sent to all involved in audit following issue of final report. The Audit Manager sends an annual survey to each Executive Director, Head of Service and Business Manager.
11.2	Quality Assurance of Audit Work					
11.2.1	Does the Head of Internal Audit have a process in place to ensure that work is allocated to auditors who have the appropriate skills, experience and competence?	✓				Yes, this is done as far as possible; however, given size of team this is not always practical.
11.2.2	Does the Head of Internal Audit have a process in place to ensure that all staff is supervised appropriately throughout all audits?	✓				Regular informal updates obtained by audit manager. Due to size of team – advantage in that communication is good.
11.2.3	Does the supervisory process cover: (a) monitoring progress? (b) assessing quality of audit work? (c) coaching staff?	✓ ✓ ✓			24	Advice and support given where necessary or where staff ask for support. Closer mentoring given to trainee Audit Technicians within the section.
11.2	Performance and Effectiveness of the Internal Audit Service					
11.3.1	Does the Head of Internal Audit have a performance management and quality assurance programme in place?	✓			31	PI's are produced and monitored on a quarterly basis.
11.3.2	Does the performance management and quality assurance framework include as a minimum: (a) a comprehensive set of targets to measure performance: (i) which are developed in consultation with appropriate parties? (ii) which are included in service level agreements, where appropriate? (iii) against which the Head of Internal Audit measures, monitors and reports appropriately on progress? (b) user feedback obtained for each individual audit and periodically for the whole service?	✓ ✓ ✓ ✓		✓	32 11 29	This is set out in the Audit Protocol Document Quarterly reports to Audit and Risk Committee

APPENDIX A

	(c) a periodic review of the service against the strategy and the achievement of its aims and objectives, the results of which are used to inform the future strategy?	✓			3	
	(d) Internal quality reviews to be undertaken periodically to ensure compliance with this Code and the audit manual?	✓				Reason for this review.
	(e) an action plan to implement improvements?	✓			3	
11.3.3	Does the Head of Internal Audit compare the performance and the effectiveness of the service over time, in terms of both the achievement of targets and the quality of the service provided to the user?	✓				Monitored and reviewed annually.
11.3.1	Do the results of the performance management and quality assurance programme evidence that the internal audit service is:					
	(a) meeting its aims and objectives?		✓			This is currently being reviewed as part of performance accountability framework which are being developed corporately Audit Protocol document SCAG Benchmarking SCAG Benchmarking.
	(b) compliant with the Code?		✓			
	(c) meeting internal quality standards?		✓			
	(d) effective, efficient, continuously improving?		✓			
	(e) adding value and assisting the organisation in achieving its objectives?		✓			
11.3.4	Does the Head of Internal Audit report on the results of the performance management and quality assurance programme in the annual audit report?	✓			13	
11.3.5	Does the Head of Internal Audit provide evidence from his or her review of the performance and quality of the internal audit service to the organisation for consideration as part of the annual review of the effectiveness of the system of internal audit?	✓				Audit and Risk Committee will receive report on this review.