

Questions to consider			Evidence / comments
1 Mission of Internal Audit			
Based on your review of conformance with other requirements of the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), does the internal audit activity aspire to accomplish the Mission of Internal Audit as set out in the			Arrangements set out within Internal Audit Charter – approved by Audit and Standards Committee March 2019.
<i>To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.</i>			
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
<b>2 Definition of Internal Auditing</b>			
Based on your review of conformance with other requirements of the PSIAS and LGAN, is the internal audit activity independent and objective?			Arrangements set out within Internal Audit Charter – approved by Audit and Standards Committee March 2019.
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
Based on your review of conformance with other requirements of the PSIAS and LGAN, does the internal audit activity use a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation?			Internal Audit Manual and associated procedures.  Previous self-assessments and external review.
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
3 Core Principles			
The Core Principles, taken as a whole, articulate internal audit effectiveness, and provide a basis for considering whether the review of conformance with the attribute standards and performance standards reflects full conformance, partial conformance or non-conformance with the PSIAS and the Local Government Application Note. In making this assessment, the assessor should have regard to positive evidence of conformance or non-conformance and the lack of evidence of non-conformance where positive evidence is difficult to obtain.			
Where there are instances of partial conformance or non-conformance in particular areas, you may need to make a judgment having regard to materiality and other factors in order to form a view on whether the internal audit activity conforms with a particular Core Principle. Any such judgments should be highlighted and explained.			
Demonstrates integrity.			All members of IA team are IIA qualified or are studying towards the qualification and therefore comply with IPFF and the Code of Ethics (IIA-UK) <a href="https://www.iaa.org.uk/resources/ipff/code-of-ethics/">https://www.iaa.org.uk/resources/ipff/code-of-ethics/</a>
Having regard to your review of conformance with the Code of Ethics (Integrity, Seven Principles of Public Life), do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating integrity?			
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
<b>Demonstrates competence and due professional care.</b>			All IA team IIA qualified or studying towards the qualification.  Specialist skills procured when required (ICT)  Experienced Audit Team
Having regard to your review of conformance with the Code of Ethics (Competence, Confidentiality, Seven Principles of Public Life) and any other evidence from the review of conformance with Standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating competence and due professional care?			
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Is objective and free from undue influence (independent).</b>			Arrangements set out within Internal Audit Charter – approved by Audit and Standards Committee March 2019.
Having regard to your review of conformance with the Code of Ethics (Objectivity, Seven Principles of Public Life) and any other evidence from the review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being objective and free from undue influence (independent)?			
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Aligns with the strategies, objectives, and risks of the organisation.</b>			Risk assessment based upon current risks and objectives of the organization / service.  Internal Audit Plan – reviewed on a 6 monthly basis to ensure it remains current and aligned with objectives
Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being aligned with the strategies, objectives, and risks of the organisation?			
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Is appropriately positioned and adequately resourced.</b>			Benchmarking confirms adequately resourced.  Organisational structure
Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being appropriately positioned and adequately resourced?			
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Demonstrates quality and continuous improvement.</b>			<a href="#">Quality Assurance and Improvement Programme</a>  Results of internal self-assessment and external peer review
Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating quality and continuous improvement?			
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Communicates effectively.</b>			<a href="#">Internal Audit Charter</a> – reporting arrangements.
Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by communicating effectively?			
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
<b>Provides risk-based assurance.</b>			Annual <a href="#">risk assessment</a> to inform annual plan. Individual reviews based on risks contained within GRACE
Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by providing risk-based assurance, based on adequate risk assessment?			
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Is insightful, proactive, and future-focused.</b>			Internal Audit involvement with project teams providing proactive advice and guidance on risk, governance and control. New and emerging risks considered during the risk assessment and within each individual audit.
Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being insightful, proactive, and future-focused?			
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Promotes organisational improvement.</b>			CAE involvement with Corporate Governance Group Implementation of operational risk registers though the use of GRACE Review and update of annual Governance Assurance Statements
Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by promoting organisational improvement?			
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
4 Code of Ethics			
Integrity			Quality Control process (QAIP) Satisfaction surveys Audit Charter – responsibilities Signed Declaration of interests Code of Conduct.
Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display integrity by:			
<ul style="list-style-type: none"><li>■ Performing their work with honesty, diligence and responsibility?</li><li>■ Observing the law and making disclosures expected by the law and the profession?</li><li>■ Not knowingly partaking in any illegal activity nor engaging in acts that are discreditable to the profession of internal auditing or to the organisation?</li><li>■ Respecting and contributing to the legitimate and ethical objectives of the organisation?</li></ul>			
CONFORMS	PARTIAL	NOT CONFORMING	
Objectivity			

Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display objectivity by:  ■ Not taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment?  ■ Not accepting anything that may impair or be presumed to impair their professional judgement?  ■ Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?			Internal Audit Charter Signed Declaration of interest Professional Codes of Ethics
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
<b>Confidentiality</b>			Internal Audit Charter Procedure Manual Quality Control (QIAP) Professional Code of Ethics
Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display due respect and care by:			
<ul style="list-style-type: none"><li>■ Acting prudently when using information acquired in the course of their duties and protecting that information?</li><li>■ Not using information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation?</li></ul>			
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Competency</b>			All IA team IIA qualified or studying towards the qualification.  Specialist skills procured when required (ICT)  Experienced Audit Team
Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display competence by:			
<ul style="list-style-type: none"><li>■ Only carrying out services for which they have the necessary knowledge, skills and experience?</li><li>■ Performing services in accordance with the PSIAS?</li><li>■ Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?</li></ul>			
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Seven Principles of Public Life</b>			All members of IA team are IIA qualified or studying towards the qualification and therefore comply with IPFF Annual declarations of interest Internal Audit Charter Code of conduct
Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors, whether consciously or through conformance with organisational procedures and norms, have due regard to the Committee on Standards of Public Life’s <i>Seven Principles of Public Life</i> ?			
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
Standards			
5 Attribute Standards			
5.1 1000 Purpose, Authority and Responsibility			
The questions in this section seek to confirm that the purpose, authority and responsibility of the internal audit activity have been properly defined consistent with the PSIAS, formally approved in an internal audit charter and periodically reviewed.			
Does the internal audit charter conform with the PSIAS by including a formal definition of:  ■ the purpose ■ the authority, and ■ the responsibility  of the internal audit activity consistent with the Public Sector Internal Audit Standards (PSIAS)?			Internal Audit Charter <a href="#">Purpose</a> <a href="#">Authority</a> <a href="#">Responsibility</a>
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
<p>Does the internal audit charter conform with the PSIAS by clearly and appropriately defining the terms 'board' and 'senior management' for the purposes of the internal audit activity?</p> <p>Note that it is expected that the audit committee will fulfil the role of the board in the majority of instances.</p>			<p>Internal Audit Charter</p> <p><a href="#">Board / Senior Management definition</a></p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<p>Does the internal audit charter also:</p> <ul style="list-style-type: none"> <li>■ Set out the internal audit activity's position within the organisation?</li> <li>■ Establish the chief audit executive's (CAE) functional reporting relationship with the board?</li> <li>■ Establish the accountability, reporting line and relationship between the CAE and those to whom the CAE may report administratively? Where applicable, this will need to encompass shared service or external providers of internal audit, and the role of the contract manager.</li> <li>■ Establish the responsibility of the board and also the role of the statutory officers (such as the CFO, the monitoring officer and the head of paid service) with regards to internal audit?</li> <li>■ Establish internal audit's right of access to all records, assets, personnel and premises and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities?</li> <li>■ Define the scope of internal audit activities?</li> <li>■ Recognise that internal audit's remit extends to the entire control environment of the organisation?</li> <li>■ Establish the organisational independence of internal audit?</li> <li>■ Cover the arrangements for appropriate resourcing?</li> <li>■ Define the role of internal audit in any fraud-related work?</li> <li>■ Set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, requiring the CAE to be notified of all suspected or detected fraud, corruption or impropriety?</li> <li>■ Include arrangements for avoiding conflicts of interest if internal audit or the CAE undertakes non-audit activities?</li> <li>■ Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?</li> <li>■ Define the nature of consulting services?</li> <li>■ Recognise the mandatory nature of the PSIAS?</li> </ul>			<p>Internal Audit Charter</p> <p><a href="#">Position</a></p> <p><a href="#">Board reporting</a></p> <p><a href="#">Reporting administratively</a></p> <p><a href="#">Roles</a></p> <p><a href="#">Access</a></p> <p><a href="#">Scope</a></p> <p><a href="#">Activities</a></p> <p><a href="#">Independence</a></p> <p><a href="#">Resourcing</a></p> <p><a href="#">Fraud</a></p> <p><a href="#">Anti Fraud &amp; Corruption</a></p> <p><a href="#">Impairment</a></p> <p><a href="#">Assurance</a></p> <p><a href="#">Consultancy</a></p> <p><a href="#">PSIAS</a></p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
Does the CAE periodically review the internal audit charter and present it to senior management and the board for			Reviewed Feb 2019 and presented to senior managers and Audit and Standards Committee <a href="#">Senior Manager email</a> <a href="#">Audit and Standards Committee March 19 minutes</a>
CONFORMS	PARTIAL	NOT CONFORMING	
5.2 1100 Independence and Objectivity			
The questions in this section seek to confirm that the internal audit activity is independent and internal auditors are objective in performing their work.			
Does the CAE have direct and unrestricted access to senior management and the board?			Internal Audit Charter
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?			Internal Audit Charter
CONFORMS	PARTIAL	NOT CONFORMING	
Does the CAE attend audit committee meetings?			<a href="https://fylde.cmis.uk.com/fylde/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/23/Default.aspx">https://fylde.cmis.uk.com/fylde/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/23/Default.aspx</a>
Does the CAE contribute to audit committee agendas?			
CONFORMS	PARTIAL	NOT CONFORMING	
Are threats to objectivity identified and managed at the following levels:			<a href="#">IA Declaration of Interests Form 2018-19 - Jacqui Murray.doc</a>  As above  <a href="#">Internal Audit charter Code of conduct</a>
■ Individual auditor?			
■ Engagement?			
■ Functional?			
■ Organisation?			
CONFORMS	PARTIAL	NOT CONFORMING	
1110 Organisational Independence			
This subsection seeks to confirm that reporting and management arrangements been put in place that preserve the CAE's independence and objectivity.			
This is of particular importance when the CAE is line-managed by another officer of the authority.			
Does the CAE report to an organisational level equal or higher to the corporate management team?			CAE reports to Head of Governance who is a member of Management Team
Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its			Internal Audit Charter / All reports issued to Directors
CONFORMS	PARTIAL	NOT CONFORMING	<a href="#">BC%20-%20Audit%20Engagement%20Plan.docx#circulation</a>

Questions to consider			Evidence / comments
Does the CAE’s position in the management structure: <ul style="list-style-type: none"><li>■ Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board?</li><li>■ Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management?</li></ul>			Audit Plan reported to and approved by Audit and Standards Committee <a href="#">March 19 minutes.pdf</a>  All final reports and action plans agreed and issued to Directors.
CONFORMS	PARTIAL	NOT CONFORMING	
Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent?			Annual Audit Report
CONFORMS	PARTIAL	NOT CONFORMING	
Is the organisational independence of internal audit realised by functional reporting by the CAE to the board?			
The ‘Interpretation’ to PSIAS 1110 provides examples of factors which may indicate that the CAE reports functionally to the Board, which include where the board: <ul style="list-style-type: none"><li>■ approves the internal audit charter</li><li>■ approves the risk-based audit plan</li><li>■ approves the internal audit budget and resource plan</li></ul>			<a href="#">March 19 minutes.pdf</a>  Resource plan agreed by Board (Audit Committee) implicitly as part of Audit Plan  <a href="https://fylde.cmis.uk.com/fylde/MeetingsCalendar/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1016/Committee/23/Default.aspx">https://fylde.cmis.uk.com/fylde/MeetingsCalendar/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1016/Committee/23/Default.aspx</a>  Reported for information only
■ receives communications from the CAE on the activity’s performance (in relation to the plan, for example)			
■ approves decisions relating to the appointment and removal of the CAE			N/A
■ approves the remuneration of the CAE			
■ seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.			Able to discuss at the time of approval of the annual audit plan



<p>The Public Sector Interpretation to PSIAS 1110 notes that board approval of CAE remuneration does not generally happen in the UK public sector, and that the underlying principle is therefore that the independence of the CAE must be safeguarded by ensuring that their remuneration or performance assessment is not inappropriately influenced by those subject to audit.</p> <p>EQA assessors should therefore consider whether adequate steps are taken to safeguard the independence of the CAE by ensuring that remuneration or performance assessment is not inappropriately influenced by those subject to audit. This might for example reflect some involvement of the chief executive in the performance assessment process or feedback from the audit committee chair.</p>			
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<b><i>1111 Direct Interaction with the Board</i></b>			
Does the CAE communicate and interact directly with the board?			Internal Audit Charter refers. At Audit and Standards Committee meetings Ad-hoc meetings
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
<b>1112 Chief Audit Executive Roles Beyond Internal Auditing</b>			
Where the CAE has roles or responsibilities that fall outside of internal auditing, are adequate safeguards in place to limit impairments to independence or objectivity?			Not applicable
Does the board periodically review these safeguards?			
CONFORMS	PARTIAL	NOT CONFORMING	
<b>1120 Individual Objectivity</b>			
Do internal auditors have an impartial, unbiased attitude?			Internal Audit Charter Satisfaction survey at end of each audit would likely indicate any difficulties
CONFORMS	PARTIAL	NOT CONFORMING	
Do internal auditors avoid any conflict of interest, whether apparent or actual?			
CONFORMS	PARTIAL	NOT CONFORMING	<a href="#">Signed Declaration of Interests</a>
<b>1130 Impairment to Independence or Objectivity</b>			
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)?			Not applicable
CONFORMS	PARTIAL	NOT CONFORMING	
Does review indicate that work allocations have operated so that internal auditors have not assessed specific operations for which they have been responsible within the previous year?			Staff are established auditors and have had no operational responsibilities previously
CONFORMS	PARTIAL	NOT CONFORMING	
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?			CAE does not have any operational responsibilities
CONFORMS	PARTIAL	NOT CONFORMING	
Is the risk of over-familiarity or complacency managed effectively: for example by rotating assignments for ongoing assurance engagements and other audit responsibilities periodically within the internal audit team?			Work allocated based on skills, knowledge and experience of audit team, where possible and practicable responsibilities and assurance engagements are periodically rotated.
CONFORMS	PARTIAL	NOT CONFORMING	
Have internal auditors declared interests in accordance with organisational requirements?			<a href="#">Declaration of interest 2018-19\IA Declaration of Interests Form 2018-19 - Dean Francis.doc</a>
CONFORMS	PARTIAL	NOT CONFORMING	
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?			None offered or accepted. Online declaration process available.
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
Does review indicate that no instances have been identified where an internal auditor has used information obtained during the course of duties for personal gain?			None
CONFORMS	PARTIAL	NOT CONFORMING	
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?			Declaration of Interests signed by auditors, Code of Ethics
CONFORMS	PARTIAL	NOT CONFORMING	
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?			No impairment
CONFORMS	PARTIAL	NOT CONFORMING	
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?			Any significant changes to the approved audit plan would be reported to the Audit & Standards Committee for approval.
CONFORMS	PARTIAL	NOT CONFORMING	
5.3 1200 Proficiency and Due Professional Care			
This section seeks to confirm that engagements are performed with proficiency and due professional care, having regard to the skills and qualifications of the CAE and their staff, and how they exercise their capability in practice.			
1210 Proficiency			
Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?			CMIIA  7 years Head of Audit experience
Is the CAE suitably experienced?			
CONFORMS	PARTIAL	NOT CONFORMING	
Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation’s human resources processes?			HIA fully responsible for recruitment.  Up to date Job Descriptions <a href="#">Auditor</a>
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?			
CONFORMS	PARTIAL	NOT CONFORMING	
Having regard to the answers to the other questions in this section and other matters, does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?			Through in-house, external training courses, networking. Specialist skills for ICT audit bought in.
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?			
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?			All auditors sufficiently experienced. Internal Audit procedures clearly specify the need to consider fraud risks. Fraud awareness training recently undertaken by all members of IA team
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
Do internal auditors have sufficient knowledge of key information technology risks and controls?			Staff have a general knowledge. Specialist ICT service is bought in for specific audits.
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
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?			Internal audit co-operates with Blackpool Council in the use of data analysis to focus assurance testing work in relation to shared financial systems.
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<b>1220 Due Professional Care</b>			
Do internal auditors exercise due professional care by considering the:			
<ul style="list-style-type: none"> <li>■ Extent of work needed to achieve the engagement's objectives?</li> <li>■ Relative complexity, materiality or significance of matters to which assurance procedures are applied?</li> <li>■ Adequacy and effectiveness of governance, risk management and control processes?</li> <li>■ Probability of significant errors, fraud, or non-compliance?</li> <li>■ Cost of assurance in relation to potential benefits?</li> </ul> <p>In doing the above, internal auditors must also consider how technology-based audit and other data analysis techniques can provide assurance.</p>			<p>Discuss and agree scope with auditee – <a href="#">Engagement Plan</a> includes objectives and scope of review.</p> <p>Risks included within risk registers All Red and amber risks to be reviewed and tested, If auditor unclear would discuss with Head of Audit</p> <p>Through audit work i.e. reviewing risks and the effectiveness of the mitigations/controls</p> <p>Through core audit work i.e. reviewing risks and the effectiveness of the mitigations</p> <p>All management actions considered for the practicality of implementation and discussed with auditee prior to agreement</p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Do internal auditors exercise due professional care during a consulting engagement by considering the:			As above
<div>■ Needs and expectations of clients, including the nature, timing and communication of engagement results?</div> <div>■ Relative complexity and extent of work needed to achieve the engagement’s objectives?</div> <div>■ Cost of the consulting engagement in relation to potential benefits?</div>			
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<b>1230 Continuing Professional Development</b>			
Has the CAE defined the skills and competencies for each level of auditor?			Job Description/ Personnel Specification for both <a href="#">CAE</a> / <a href="#">Senior Auditor</a> and <a href="#">Auditor</a>  Appraisals undertaken annually. Regular 1-1 discussions are held with each Auditor to discuss performance / progress against reviews etc
and			
Does the CAE periodically assess individual auditors against the predetermined skills and competencies?			
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
Do internal auditors undertake a programme of continuing professional development?			Work and training helps to ensure requirements for CPD are met.
and			
Do internal auditors maintain a record of their professional development and training activities?			
CONFORMS	PARTIAL	NOT CONFORMING	
5.4 1300 Quality Assurance and Improvement Programme			
The questions in this section seek to confirm that the CAE has developed and maintained a Quality Assurance and Improvement Programme (QAIP) through which conformance with the PSIAS can be and is properly assessed.			
Has the CAE developed a QAIP that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?			Quality Assurance and Improvement Programme (QAIP) in place including performance indicators and quality control of audit work.  Review of effectiveness of service challenged annually by CGG via PSIAS
Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?			
Does the CAE maintain the QAIP?			
Are any statutory requirements for review of the internal audit activity satisfied?			
CONFORMS	PARTIAL	NOT CONFORMING	
1310 Requirements of the Quality Assurance and Improvement Programme			
Does the QAIP include both internal and external assessments?			Specified in the <a href="#">QAIP</a> .
CONFORMS	PARTIAL	NOT CONFORMING	Need to update QAIP to reflect current operational arrangements (Action 2)
1311 Internal Assessments			
Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?			Work is allocated to auditors based on previous knowledge of review, any involvement within a project team and experience Reviews allocated on a quarterly basis and monitored through regular discussions with individual auditors
CONFORMS	PARTIAL	NOT CONFORMING	
Do internal assessments include ongoing monitoring of the internal audit activity, such as:			Performed by CAE as part of each audit assignment  PSIAS checklist used for Annual Review of Effectiveness of IA
<div><div></div> Routine quality monitoring processes?</div> <div><div></div> Periodic assessments for evaluating conformance with the PSIAS?</div>			
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
<p>Does ongoing performance monitoring contribute to quality improvement through the effective use of performance targets?</p> <ul style="list-style-type: none"> <li>■ Is there a set of comprehensive targets which between them encompass all significant internal audit activities?</li> <li>■ Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?</li> <li>■ Does the CAE measure, monitor and report on progress against these targets?</li> <li>■ Does ongoing performance monitoring include obtaining stakeholder feedback?</li> </ul>			<p>Targets approved by Audit and Standards Committee March 2019 <a href="#">March 19 minutes.pdf</a></p> <p>Agreed with the CGG</p> <p>Included with every progress report to Audit and Standards Committee</p> <p>Satisfaction survey issued following every review.</p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<p>Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices?</p> <p>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.</p>			<p>Annual Self Assessments carried out by CAE</p> <p><a href="#">MOU</a> sets out criteria for external assessment carried out by Lancashire Heads of Audit</p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<p>Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?</p>			<p>Reported to Audit and Standards committee in each progress report.</p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<b>1312 External Assessments</b>			
<p>Has an external assessment been carried out, or is one planned to be carried out, at least once every five years?</p> <p>Has the CAE discussed the alternative approaches to external assessment with the board? This should reflect the relative costs of the different approaches, the potential advantages of an external viewpoint, and whether there are factors which might be considered to warrant a demonstrably independent assessment.</p>			<p><a href="#">PSIAS review undertaken by Preston / Chorley &amp; SRBC December 2016</a></p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
<p>Has the CAE properly discussed the qualifications and independence of the assessor or assessment team with the board?</p> <p>In doing this, the CAE should consider whether the assessor or assessment team has demonstrated its competence in both the professional practice of internal auditing <i>and</i> the external assessment process. Competence can be demonstrated through both experience and theoretical learning. Experience of similar organisations or sectors is more valuable than less relevant experience. In the case of an assessment team, not all members need to have all the competencies – it is the team as a whole that is qualified.</p> <p>If the capability of the assessor or assessment team is not immediately obvious, the CAE should document how they used professional judgement to decide whether this is sufficient to carry out the external assessment.</p> <p>If the assessor or assessment team has any real or apparent conflicts of interest with the organisation, this should be clearly explained to the board, and safeguards should be put in place to minimise the effect of this on the conduct of the external assessment.</p> <p>Conflict of interest may include, but is not limited to, being a part of or under the control of the organisation to which the internal audit activity belongs.</p>			Peer Review teams are all Lancashire Heads of Audit and any impairments will be taken into account by the Sub Group who appoint the reviewers for each authority.
CONFORMS	PARTIAL	NOT CONFORMING	
<p>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?</p> <p>The CAE should also agree this scope with the external assessor or assessment team.</p>			See above
CONFORMS	PARTIAL	NOT CONFORMING	
<b>1320 Reporting on the Quality Assurance and Improvement Programme</b>			
<p>Has the CAE reported the results of the QAIP to senior management and the board?</p> <p>Note that:</p> <ul style="list-style-type: none"> <li>■ the results of both external and periodic internal assessment must be communicated upon completion</li> <li>■ the results of ongoing monitoring must be communicated at least annually</li> <li>■ 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.</li> </ul>			<p>The QAIP was last reported to Audit and Standards Committee in June 2017.</p> <p>To be included in Annual Report June 19</p>
CONFORMS	PARTIAL	NOT CONFORMING	



Questions to consider			Evidence / comments
Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?			To be included in Annual Report June 19
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<b>1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'</b>			
Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?			Included on every <a href="#">Internal Audit report</a>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<b>1322 Disclosure of Non-conformance</b>			
Has the CAE reported any instances of non-conformance with the PSIAS to the board?			Not applicable
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
If appropriate, has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?			Not applicable
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
<b>6 Performance Standards</b>			
<b>6.1 2000 Managing the Internal Audit Activity</b>			
<p>The questions in this section seek to confirm that the internal audit activity's work achieves the purposes and responsibility of the activity, as set out in the internal audit charter, and that the internal audit activity adds value to the organisation and its stakeholders by:</p> <ul style="list-style-type: none"> <li>■ providing objective and relevant assurance</li> <li>■ contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.</li> </ul>			
<b>2010 Planning</b>			
<p>Has the CAE determined the priorities of the internal audit activity in a risk-based plan and are these priorities consistent with the organisation's goals?</p> <p>Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?</p> <p><b>Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of:</b></p> <ul style="list-style-type: none"> <li>■ How the internal audit service will be delivered?</li> <li>■ How the internal audit service will be developed in accordance with the internal audit charter?</li> <li>■ How the internal audit service links to organisational objectives and priorities?</li> </ul>			<p>Risk based plans are developed annually consistent with the Council's priorities.</p> <p>Plan risk based and considers both assurance work and consultancy work on corporate plan / strategy projects.</p> <p><b>Need to review Audit Strategy (Action 2)</b></p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
<p>Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?</p> <p>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?</p> <p>If such a risk management framework does not exist, has the CAE used their judgement of risks after input from senior management and the board and evidenced this?</p>			<p><b>To be included within Strategy (Action 2)</b></p> <p>Audit Needs Assessment reflects risk position of each area of activity. Consideration to given range of factors including previous opinion, date last audited, changes to processes / staffing etc. Each system / function within the audit universe is given a criticality rating based on a range of risk factors which determines the timescale for review.</p> <p>Risk Management Framework supported by discussions with all senior management</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>Does the risk-based plan set out the:</p> <ul style="list-style-type: none"> <li>■ Audit work to be carried out?</li> <li>■ Respective priorities of those pieces of audit work?</li> <li>■ Estimated resources needed for the work?</li> </ul> <p>Does the risk-based plan differentiate between audit and other types of work?</p> <p>Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?</p>			<p><a href="#">Audit Plan 19/20</a></p> <p>Priorities agreed with MT and reflected in the timing of the review. Resources included (COL C)</p> <p><a href="#">Audit plan report</a> clearly specifies the assurance reviews and project team involvement (consultancy) and governance work.</p> <p>Audit Plans contain contingency time to allow for unplanned reviews / changes to planned reviews</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>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?</p>			<p>Audit Plan kept under constant review and amended when necessary. Any changes are reported to and approved by Audit and Standards Committee</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>Is the internal audit activity's plan of engagements based on a documented risk assessment?</p> <p>Is the risk assessment used to develop the plan of engagements undertaken at least annually?</p>			<p><a href="#">Audit/ Risk assessment</a> used as basis . Audit needs assessment updated every year in quarter 4.</p>
CONFORMS	PARTIAL	NOT CONFORMING	

<p>In developing the risk-based plan, has the CAE also given sufficient consideration to:</p> <ul style="list-style-type: none"> <li>■ Any declarations of interest (for the avoidance for conflicts of interest)?</li> <li>■ The requirement to use specialists, eg IT or contract and procurement auditors?</li> <li>■ Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary?</li> <li>■ 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?</li> </ul>			<p>Where appropriate</p> <p>Procurement of ICT specialists</p> <p>Contingency included within Audit Plan</p> <p>Plan allocations sets out time for Audit Planning / Monitoring / Reporting and time for Audit and Standards Committee report preparation and attendance</p>
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
In developing the risk-based plan, has the CAE consulted with senior management and the board to obtain an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes?			Senior Managers consulted on the <a href="#">risk assessment</a> and comments recorded.
Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?			
CONFORMS	PARTIAL	NOT CONFORMING	All involved with the planning process
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?			As part of the planning process
Are consulting engagements that have been accepted included in the risk-based plan?			Plan includes consultancy / projects etc
CONFORMS	PARTIAL	NOT CONFORMING	
<b>2020 Communication and Approval</b>			
Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?			Reported to Management Team and Audit & Standards Committee. <a href="#">March 19 minutes.pdf</a>
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?			Minor changes reported in annual report – no significant changes in recent years
CONFORMS	PARTIAL	NOT CONFORMING	
Has the CAE communicated the impact of any resource limitations to senior management and the board?			Any resource limitations would be discussed with senior managers and Audit and Standards Committee
CONFORMS	PARTIAL	NOT CONFORMING	
<b>2030 Resource Management</b>			
Does the risk-based plan explain how internal audit's resource requirements have been assessed?			The <a href="#">Plan Allocations</a> sets out the number of days available including both internal and external resources
CONFORMS	PARTIAL	NOT CONFORMING	
Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise disruption to the functions being audited, subject to the requirement to obtain sufficient assurance?			Timings of audit reviews discussed with Heads of Service and recorded on <a href="#">Risk Assessment</a>
CONFORMS	PARTIAL	NOT CONFORMING	



Questions to consider			Evidence / comments
<b>2060 Reporting to Senior Management and the Board</b>			
<p>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?</p> <p>Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?</p> <p>Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board?</p>			<p>Interim reports presented to Audit and Standards Committee in September <a href="#">and January</a> annually.</p> <p>Each interim report contains a <a href="#">table</a> highlighting the main pieces of work undertaken during the period together with any control issues identified,</p> <p>Issues raised with managers / directors when appropriate. All other reviews reported in accordance with Audit and Standards Committee timetable</p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<b>2070 External Service Provider and Organisational Responsibility for Internal Auditing</b>			
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 and effective internal audit activity remains with the organisation?			Mersey Internal Audit Agency provide the ICT Audit Service. All other audit activity is provided by the in house team.
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<b>6.2 2100 Nature of Work</b>			
The questions in this section seek to confirm that the internal audit activity evaluates and contributes to the improvement of the organisation's governance, risk management and internal control processes using a systematic and disciplined approach.			
<b>2110 Governance</b>			

<p>Does the internal audit activity assess and make appropriate recommendations to improve the organisation's governance processes for:</p> <ul style="list-style-type: none"> <li>■ Making strategic and operational decisions?</li> <li>■ Overseeing risk management and control?</li> <li>■ Promoting appropriate ethics and values within the organisation?</li> <li>■ Ensuring effective organisational performance management and accountability?</li> <li>■ Communicating risk and control information to appropriate areas of the organisation?</li> <li>■ Coordinating the activities of and communicating information among the board, external and internal auditors and management?</li> </ul>			<p>Overall aim of the IA Service</p> <p>Through specific audit reports, including the annual audit of the Corporate Governance/Risk Management Frameworks. In addition, CAE involvement on the Corporate Governance Group.</p> <p>Assistance with / ownership of corporate policies i.e. anti-fraud, whistleblowing etc</p> <p>At review level, Performance Management is included within each review where appropriate, included on <a href="#">Engagement Memo</a> Performance Management included within Internal Audit Plan annually as a review.</p> <p>Through Audit reports and through the provision of advice and guidance</p> <p>Audit reports issued to Directors /External Audit. Internal Audit annual report and progress reports to Audit and Standards Committee</p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
Has the internal audit activity evaluated the design, implementation and effectiveness of the organisation’s ethics-related objectives, programmes and activities? This is an area where the CAE may be able to use other sources of assurance.			Assistance with / ownership of corporate policies i.e. anti-fraud, money laundering etc Through individual audit reviews incl Ethical culture
CONFORMS	PARTIAL	NOT CONFORMING	
Has the internal audit activity assessed whether the organisation’s information technology governance supports the organisation’s strategies and objectives? This is an area where the CAE may be able to use other sources of assurance.			Areas for consideration discussed and agreed with Head of ICT – audits then provided through external provision by Mersey Internal Audit Agency
CONFORMS	PARTIAL	NOT CONFORMING	
<b>2120 Risk Management</b>			
Has the internal audit activity evaluated the effectiveness of the organisation’s risk management processes by determining that:  ■ Organisational objectives support and align with the organisation’s mission?  ■ Significant risks are identified and assessed?  ■ Appropriate risk responses are selected that align risks with the organisation’s risk appetite?			Review of Risk management included within 2019/20 Internal Audit Plan  To be included within the Risk Management review / Risk management framework / strategic risk register Risks and controls recorded on GRACE
CONFORMS	PARTIAL	NOT CONFORMING	
Has the internal audit activity evaluated the risks relating to the organisation’s governance, operations and information systems regarding the:  ■ Achievement of the organisation’s strategic objectives? ■ Reliability and integrity of financial and operational information? ■ Effectiveness and efficiency of operations and programmes? ■ Safeguarding of assets? ■ Compliance with laws, regulations, policies, procedures and contracts?			Audit Planning and included within each individual audit review.
CONFORMS	PARTIAL	NOT CONFORMING	



<p>Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?</p> <p>CIPFA has issued a <i>Code of Practice on Managing the Risk of Fraud and Corruption</i>, and strongly recommends that it is used as the basis for assessment of how an authority manages its fraud risk.</p>			<p><a href="#">New Fighting Fraud and Corruption Locally strategy compliance –reported to November 18 Audit and Standards Committee</a></p> <p>Individual Audits specifically review identified fraud risks Corporate Fraud Team now in place. CAE liaises regularly with Head of Corporate Fraud Team to discuss work and current risks</p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
<p>Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?</p> <p>Are internal auditors alert to other significant risks when undertaking consulting engagements?</p> <p>Do internal auditors incorporate knowledge of risks gained from consulting engagements into their evaluation of the organisation's risk management processes?</p>			IA involved with project teams to provide advice and guidance on governance, control and risk.
CONFORMS	PARTIAL	NOT CONFORMING	
<p>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?</p>			GRACE system assigns risk owners to individual risks. IA do not own any risks other than those relating to the IA service
CONFORMS	PARTIAL	NOT CONFORMING	
<b>2130 Control</b>			
<p>Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the:</p> <ul style="list-style-type: none"> <li>■ Achievement of the organisation's strategic objectives?</li> <li>■ Reliability and integrity of financial and operational information?</li> <li>■ Effectiveness and efficiency of operations and programmes?</li> <li>■ Safeguarding of assets?</li> <li>■ Compliance with laws, regulations, policies, procedures and contracts?</li> </ul>			Audit Planning process Through audit assignments and reporting
CONFORMS	PARTIAL	NOT CONFORMING	
<p>Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?</p>			Where appropriate
CONFORMS	PARTIAL	NOT CONFORMING	
<b>6.3 2200 Engagement Planning</b>			
<p>Do internal auditors develop and document a plan for each engagement?</p> <p>Does the engagement plan include the engagements:</p> <ul style="list-style-type: none"> <li>■ Objectives?</li> <li>■ Scope?</li> <li>■ Timing?</li> <li>■ Resource allocations?</li> </ul>			<p>Standard working papers</p> <p><a href="#">Engagement Plan</a>  <a href="#">Risk and Control Evaluation</a>  <a href="#">Audit Test results</a>  <a href="#">Reports</a></p>
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
<p>Do internal auditors consider the following in planning an engagement, and is this documented:</p> <ul style="list-style-type: none"> <li>■ The objectives of the activity being reviewed?</li> <li>■ The means by which the activity controls its performance?</li> <li>■ The significant risks to the activity being audited?</li> <li>■ The activity's resources?</li> <li>■ The activity's operations?</li> <li>■ The means by which the potential impact of risk is kept to an acceptable level?</li> <li>■ The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?</li> <li>■ The opportunities for making significant improvements to the activity's governance, risk management and control processes?</li> </ul>			<p><a href="#">Engagement Plan</a> and report</p> <p>Review of <a href="#">performance information</a> is included within the engagement where appropriate</p> <p>Use of risk registers and recorded in the <a href="#">Risk and Control Evaluation</a></p> <p>Resource availability is always considered at the Planning Memo stage and discussed during the initial meeting.</p> <p>Gaining an understanding of how the service delivers its operations is the first part of any review and is included within the Engagement Plan</p> <p>Review of the risk register and assessment of the controls in place</p> <p>Basis of the risk based assignment. Findings included within the report</p> <p>Basis of the risk based assignment. Findings and actions to improve included within the report</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<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"> <li>■ Objectives?</li> <li>■ Scope?</li> <li>■ 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)?</li> </ul>			Not applicable - Service not provided to external parties
CONFORMS	PARTIAL	NOT CONFORMING	

<p>For consulting engagements, have internal auditors established an understanding with the engagement clients about the following:</p> <ul style="list-style-type: none"> <li>■ Objectives?</li> <li>■ Scope?</li> <li>■ The respective responsibilities of the internal auditors and the client and other client expectations?</li> </ul> <p>For significant consulting engagements, has this understanding been documented?</p>			Engagement plan clearly sets out the role of Internal Audit within consulting engagements
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
<b>2210 Engagement Objectives</b>			
<p>Have objectives been agreed for each engagement?</p> <p>Have internal auditors carried out a preliminary risk assessment of the activity under review?</p> <p>Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?</p> <p>Have internal auditors considered the probability of the following when developing the engagement objectives:</p> <ul style="list-style-type: none"> <li>■ Significant errors?</li> <li>■ Fraud?</li> <li>■ Non-compliance?</li> <li>■ Any other risks?</li> </ul>			<p>Included within Engagement Plan and discussed at initial meeting .</p> <p>Review of the risk register and compilation of the RCE</p> <p>Included within the Audit <a href="#">Engagement Quality control Checklist</a></p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<p>Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether organisational objectives and goals have been accomplished?</p> <p>If the criteria has been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?</p>			Most service areas have performance indicators to assess adequacy of performance and these are tested where appropriate and included within the Engagement Plan
<p>If the criteria has been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?</p> <p>If the value for money criteria has been referred to, has the use of all the organisation's main types of resources been considered, including money, people and assets?</p>			If PI's were inadequate we would identify and include within the IA report.
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<p>Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?</p> <p>Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?</p>			Included within the Engagement plan for consulting engagements
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

<p>Is the scope that is established for each engagement generally sufficient to satisfy the engagement's objectives?</p> <p>Does the scope for each engagement include consideration of relevant systems, records, personnel and physical properties? Does this consideration include areas under the control of outside parties, where appropriate?</p>			<p>Included within the <a href="#">Audit Engagement Quality control Checklist</a></p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
<p>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> <p>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?</p>			<p>This has not occurred as significant consultancy work is included within the IA Annual plan</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>For each consulting engagement, was the scope of the engagement generally sufficient to address any agreed-upon objectives?</p> <p>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?</p> <p>During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?</p> <p>During consulting engagements, were internal auditors alert to any significant control issues?</p>			<p>Included within Engagement Plan</p> <p>This has not occurred but discussion would take place if the situation arose</p> <p>Key focus of the consultancy work</p> <p>IA role is to ensure that governance, risk management and control issues are considered throughout the whole project</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<b>2230 Engagement Resource Allocation</b>			
<p>Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of each engagement based on:</p> <p>a) The nature and complexity of the individual engagement?</p> <p>b) Any time constraints?</p> <p>c) The resources available?</p>			<p>Resource allocation is estimated for each review and is included within the <a href="#">IA Annual Plan</a> and is based on current knowledge of the system under review. Time is monitored throughout the course of the audit, to ensure resources are used effectively and efficiently – <a href="#">plan allocations</a> issued to all auditors</p> <p>Time is monitored throughout the course of the audit to ensure resources are used effectively and efficiently.</p> <p>As above</p>

CONFORMS	PARTIAL	NOT CONFORMING	
<b>2240 Engagement Work Programme</b>			
<p>Have internal auditors developed and documented work programmes that achieve the engagement objectives?</p> <p>Do the engagement work programmes include procedures for:</p> <ul style="list-style-type: none"> <li>■ Identifying information?</li> <li>■ Analysing information?</li> <li>■ Evaluating information?</li> <li>■ Documenting information?</li> </ul> <p>Were work programmes approved prior to implementation for each engagement?</p> <p>Were any adjustments required to work programmes approved promptly?</p>			<p>All auditors must produce a <a href="#">risk and control evaluation</a> which details all the controls to be tested during the course of the review.</p> <p>All working papers are retained on the Shared Audit network drive. All auditors experienced and are able to use appropriate methods to identify, analyse , evaluate and document information in order to provide assurance or otherwise in all reviews undertaken</p> <p>All RCEs are approved by CAE prior to review commencing.</p> <p>Auditors able to amend work programme according to complexity and time. Approval of CAE would be sought if amendment required eg omission of a particular test</p>
CONFORMS	PARTIAL	NOT CONFORMING	



Questions to consider			Evidence / comments
6.4 2300 Performing the Engagement			
The questions in this section seek to confirm that internal auditors analyse, evaluate and document sufficient, reliable, relevant and useful information to support engagement results and conclusions.			
2310 Identifying Information			
Do internal auditors generally identify (sufficient, reliable, relevant and useful) information which supports engagement results and conclusions?			All working papers are retained on the Shared Audit network drive. All auditors experienced and are able to identify sufficient, reliable, relevant and useful information in order to provide assurance or otherwise in all reviews undertaken.  CAE review of working papers and report would identify any shortcomings.
Sufficient information is factual, adequate and convincing so that a prudent, informed person would reach the same conclusions as the auditor. Reliable information is the best attainable information through the use of appropriate engagement techniques. Relevant information supports engagement observations and recommendations and is consistent with the objectives for the engagement. Useful information helps the organisation meet its goals.			
CONFORMS	PARTIAL	NOT CONFORMING	
2320 Analysis and Evaluation			
Have internal auditors generally based their conclusions and engagement results on appropriate analyses and evaluations?			As above
CONFORMS	PARTIAL	NOT CONFORMING	
Have internal auditors generally remained alert to the possibility of the following when performing their individual audits, and has this been documented:			Would be identified and documented within working papers
<div><div></div> Intentional wrongdoing?</div> <div><div></div> Errors and omissions?</div> <div><div></div> Poor value for money?</div> <div><div></div> Failure to comply with management policy?</div> <div><div></div> Conflicts of interest?</div>			
CONFORMS	PARTIAL	NOT CONFORMING	
2330 Documenting Information			
Have internal auditors documented the relevant information required to support engagement conclusions and results?			Working papers contain the relevant information. PA review of working papers and report would identify any shortcomings. Any shortcomings would be addressed and rectified at this stage if evidence insufficient for anyone else to pick up and follow.
Are working papers sufficiently complete and detailed to enable another experienced internal auditor with no previous connection with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached?			
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
<p>Does the CAE control access to engagement records?</p> <p>Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?</p> <p>Has the CAE developed and implemented retention requirements for all types of engagement records?</p>			<p>Records held on shared network drive. Only internal audit staff have access to this drive.</p> <p>To be incorporated into revised Audit Procedure Manual (Action 2)</p>
CONFORMS	PARTIAL	NOT CONFORMING	
Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?			In line with GDPR requirements
<b>2340 Engagement Supervision</b>			
<p>Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?</p> <p>Is appropriate evidence of supervision documented and retained for each engagement?</p>			<p>Ongoing discussion with auditor, file review and report clearance will identify any issues</p> <p>All working papers reviewed are signed by the CAE and comments recorded on the RCE to highlight any areas of concern which must be addressed prior to the issue of the draft report. .</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<b>6.5 2400 Communicating Results</b>			
The questions in this section seek to confirm that internal auditors communicate the results of engagements in an appropriate way.			
<b>2410 Criteria for Communicating</b>			
<p>Do the communications of engagement results include the following:</p> <ul style="list-style-type: none"> <li>■ The engagement's objectives?</li> <li>■ The scope of the engagement?</li> <li>■ Applicable conclusions?</li> <li>■ Recommendations and action plans, if appropriate?</li> </ul>			<p>All included on the <a href="#">report</a></p> <p>Summary of overall findings included with controls assurance ratings</p> <p>Included on the Management Action Plan</p>
CONFORMS	PARTIAL	NOT CONFORMING	
Do internal auditors generally discuss the contents of the draft final reports with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions?			Meeting arranged as <a href="#">draft report issued</a>
CONFORMS	PARTIAL	NOT CONFORMING	

<p>If recommendations and an action plan have been included, are recommendations prioritised according to risk?</p> <p>If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?</p> <p>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?</p>			<p>Red and amber risks reviewed and actions prioritized according to the level of control</p> <p>Actions prioritized by date order. Timescale recorded on the action plan</p> <p>Any alternative actions are recorded in the management action plan.</p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
<p>Subject to confidentiality requirements and other limitations on reporting, do communications disclose all material facts known to them in their audit reports which, if not disclosed, could distort their reports or conceal unlawful practice?</p> <p>When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?</p>			<p>All material facts disclosed.</p> <p>The controls assurance rating is based upon the findings of the review. If this is challenged, the auditee would have to provide evidence to support the change.</p> <p>All Audit reports are issued to Directors and External Audit. <a href="#">Included within Quality Checklist</a></p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>Opinions should be supported by sufficient, reliable, relevant and useful information (in line with responses to questions for PSIAS 2300). Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?</p>			<p>Each identified risk is awarded an assurance opinion on the <a href="#">RCE</a>. (col k) These support the overall assurance opinion awarded for the review</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>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?</p>			Not occurred but would do where necessary
CONFORMS	PARTIAL	NOT CONFORMING	
<p>Where the CAE has been required to provide assurance to other partnership organisations, or arm's length bodies such as trading companies, have the risks of doing so been managed effectively, having regard to the CAE's primary responsibility to the management of the organisation for which they are engaged to provide internal audit services?</p>			Not applicable
CONFORMS	PARTIAL	NOT CONFORMING	
<b>2420 Quality of Communications</b>			
<p>Are internal audit communications generally accurate, objective, clear, concise, constructive, complete and timely?</p>			<p>Report is succinct and concise, confirmed for factual accuracy with the auditee.</p> <p>Satisfaction surveys issued after each review contain a question about the clarity, style and balance of the report</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<b>2421 Errors and Omissions</b>			
<p>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?</p>			Would do if necessary
CONFORMS	PARTIAL	NOT CONFORMING	
<b>2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'</b>			

Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?			Included on <a href="#">report</a>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

Questions to consider			Evidence / comments
2431 Engagement Disclosure of Non-conformance			
Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following:  ■ The principle or rule of conduct of the <i>Code of Ethics</i> or <i>Standard(s)</i> with which full conformance was not achieved?  ■ The reason(s) for non-conformance?  ■ The impact of non-conformance on the engagement and the engagement results?			Not applicable
CONFORMS	PARTIAL	NOT CONFORMING	
2440 Disseminating Results			
Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?			Circulation included on <a href="#">Engagement Plan</a> and on the <a href="#">Quality Checklist</a>
CONFORMS	PARTIAL	NOT CONFORMING	
Has the CAE communicated engagement results to all appropriate parties?			As per the Engagement Plan
CONFORMS	PARTIAL	NOT CONFORMING	
Before releasing engagement results to parties outside the organisation, did the CAE:  ■ Assess the potential risk to the organisation?  ■ Consult with senior management and/or legal counsel as appropriate?  ■ Control dissemination by restricting the use of the results?			Not applicable
CONFORMS	PARTIAL	NOT CONFORMING	
Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?			Summary of consultancy work undertaken included within Progress Report / Annual Report
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to consider			Evidence / comments
<b>2450 Overall Opinion</b>			
<p>Has the CAE delivered an annual internal audit opinion?</p> <p>Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?</p> <p>Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?</p> <p>Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information (having regard to the answers to questions on PSIAS 2300)?</p>			<p>Contained within Annual Report</p> <p>Annual Report to Audit and Standards Committee sets out the requirements of the Accounts &amp; Audit Regulations 2015. Results of individual reviews reported to senior managers and the Audit and Standards Committee throughout the year</p> <p>Based on opinions of individual pieces of audit work undertaken during the year</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>Does the communication identify the following:</p> <ul style="list-style-type: none"> <li>■ The scope of the opinion, including the time period to which the opinion relates?</li> <li>■ Any scope limitations?</li> <li>■ The consideration of all related projects including the reliance on other assurance providers?</li> <li>■ The risk or control framework or other criteria used as a basis for the overall opinion?</li> </ul> <p>Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?</p> <p>Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?</p>			<p>Included within annual report</p> <p>Would do where appropriate</p> <p>Included within overall opinion</p> <p>Based on results of audits undertaken during that year.</p> <p>Included in summary table of each review</p> <p>Opinion will be included within AGS (2019 exception due to early production timescale)</p>
CONFORMS	PARTIAL	NOT CONFO	
<p>Does the annual report incorporate the following:</p> <ul style="list-style-type: none"> <li>■ The annual internal audit opinion?</li> <li>■ A summary of the work that supports the opinion?</li> <li>■ A disclosure of any qualifications to the opinion?</li> <li>■ The reasons for any qualifications to the opinion?</li> <li>■ A disclosure of any impairments or restriction in scope?</li> <li>■ A comparison or work actually carried out with the work planned?</li> <li>■ A statement on conformance with the PSIAS?</li> <li>■ The results of the QAIP?</li> <li>■ Progress against any improvement plans resulting from the QAIP?</li> <li>■ A summary of the performance of the internal audit activity against its performance measures and targets?</li> <li>■ Any other issues that the CAE judges is relevant to the preparation of the governance statement?</li> </ul>			Annual report

CONFORMS	PARTIAL	NOT CONFORMING	
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Questions to consider			Evidence / comments
<b>6.6 2500 Monitoring Progress</b>			
<p>The questions in this section seek to confirm that a system is in place to monitor effectiveness of audit communications results to management, including appropriate follow up when no action is taken by management.</p> <p>Has the CAE established a process to monitor and follow up management actions to ensure that agreed actions have been effectively implemented or that senior management have accepted the risk of not taking action?</p>			
<p>Where issues have arisen during the follow-up process (for example, where agreed actions have not been implemented), has the CAE considered revising the internal audit opinion?</p> <p>Do the results of monitoring management actions inform the risk-based planning of future audit work?</p>			<p>Would do if situation arose.</p> <p>Would do if there were significant delays in returning information or non-implementation of agreed actions</p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<p>Does the internal audit activity monitor the results of consulting engagements as agreed with the client?</p>			As per any other engagement
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	
<b>6.7 2600 Communicating the Acceptance of Risks</b>			
<p>This section considers the arrangements which apply if the CAE has concluded that management has accepted a level of risk that may be unacceptable to the organisation.</p> <p>Situations of this kind are expected to be rare. PSIAS 2600 sets out communication requirements for the CAE. It is not the responsibility of the CAE to resolve the risk.</p>			
<p>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?</p> <p>If, after discussion with senior management, the CAE continues to conclude that the level of risk may be unacceptable to the organisation, has he or she communicated the situation to the board?</p>			<p>Has not occurred but if it did, the matter would be reported to Senior Management</p> <p>This has not occurred but if it did, the matter would be reported to Audit and Standards Committee</p>
CONFORMS	<del>PARTIAL</del>	<del>NOT CONFORMING</del>	

