



Carlisle City Council

Report to Audit Committee

Report details

Meeting Date:	08 July 2022
Portfolio:	Finance, Governance & Resources
Key Decision:	Not applicable
Policy and Budget Framework	Yes
Public / Private	Public
Title:	INTERNAL AUDIT COMPLIANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS (SELF-ASSESSMENT)
Report of:	CORPORATE DIRECTOR FINANCE & RESOURCES
Report Number:	RD25/22

Purpose / Summary:

This report introduces Internal Audit's self-assessment of compliance with the Public Sector Internal Auditing Standards for 2021/22.

Recommendations:

The Committee is requested to

- i) note the findings and improvement actions outlined in the self-assessment (Appendix A)

Tracking

Executive:	8 July 2022
Scrutiny:	Not applicable
Council:	Not applicable

1. Background

1.1. The Public Sector Internal Audit Standards were introduced in 2013 and last revised in 2017. The Standards reflect the mandatory elements of the Institute of Internal Audit's International Professional Practices Framework (IPPF), which defines the principles and standards required of Internal Auditors. The standards are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector

1.2. As well as defining Internal Auditing the standards include the following elements:

- Core Principles
- Code of Ethics (Covering the four expected principles: Integrity, Objectivity, Confidentiality & Competence)
- Attribute Standards
- Performance Standards

1.3. The standards include the necessity for a quality assessment of compliance to the standards by a competently qualified external inspector every five years, supplemented by annual self-assessments.

2. Self Assessment (2021/22)

2.1 The Internal Audit team was subject to an external quality assessment of their compliance with the Public Sector Internal Audit Standards in April 2018. The assessment found that the department conforms with all the standards. Recommendations made following this review have all been implemented.

2.2 The department have also performed annual self-assessments against the standards using a CIPFA checklist. Result of the assessment are included at Appendix A. The assessment includes improvement points which will be implemented during 2022/23.

3. Risks

3.1 The self-assessment provides assurance and improvement points to ensure Internal Audit remain effective and deliver an appropriate independent service.

4. Consultation

4.1 Not applicable

5. Conclusion and reasons for recommendations

5.1 The Committee is requested to

- ii) note the findings and improvement actions outlined in the self-assessment (Appendix A)

6. Contribution to the Carlisle Plan Priorities

8.1 To support the Council in maintaining an effective framework regarding governance, risk management and internal control which underpins the delivery the Council's corporate priorities and helps to ensure efficient use of Council resources

Contact details:

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Appendices attached to report:

- Appendix A – Internal Audit Self-Assessment 2021/22

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

Corporate Implications:

Legal – None.

Property Services -None

Finance -Contained within the report

Equality -None

Information Governance- None

Carlisle City Council Internal Audit (Self-Assessment 2021-22)

1 Definition of Internal Auditing			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
<p>Using evidence gained from assessing conformance with other Standards, is the internal audit activity:</p> <p>a) Independent b) Objective</p>	<p>Yes Yes</p>	<p>Independence & Objectivity defined within the Internal Audit Charter.</p> <p>Risk Based Audit Methodology designed to ensure both characteristics are achieved by the department (accounting for potential conflicts noted in annual declarations of interest).</p>	
<p>Using evidence gained from assessing conformance with other Standards, 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?</p>	<p>Yes</p>	<p>Risk Based Audit Methodology, established templates, QAIP and control sheets in place to ensure consistent, systematic approach.</p> <p>Supervision in place (as defined within the methodology) to support consistency. Supervision check-list included to enhance consistent approach</p>	
2 Code of Ethics			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
<p>Integrity: Using evidence gained from assessing conformance with other Standards, do internal auditors:</p> <p>a) Perform their work with honesty, diligence and responsibility? b) Observe the law and make disclosures expected by the law and the profession? c) Not knowingly partake in any illegal activity nor engage in in acts that are discreditable</p>	<p>Yes</p>	<p>Ethical standards form key element of Audit Charter, with controls in place as part of methodology.</p> <p>Integrity values and requirement to keep to the law form part of Officer's Code of Conduct for all City Council employees (based on the Nolan Principles).</p> <p>Disclosure checks for all Internal Auditors.</p> <p>Declarations of interest in place and updated annually.</p>	

to the profession of internal auditing or to the organisation? d) Respect and contribute to the legitimate and ethical objectives of the organisation?			
Objectivity: Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by not: a) Taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment? b) Accepting anything that may impair or be presumed to impair their professional judgement? c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?	Yes	Objectivity forms key element of Audit Charter. with controls in place as part of methodology. Integrity values and requirement to keep to the law form part of Officer's Code of Conduct for all City Council employees (based on the Nolan Principles). Disclosure checks for all Internal Auditors. Declarations of interest form in place and updated annually. Council has gifts and hospitality register, which Internal Audit staff use when necessary (0 instances in 2021/22).	
Confidentiality: Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by: a) Acting prudently when using information acquired in the course of their duties and protecting that information? b) Not using information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation?	Yes	All information only used for Internal Audit purposes (all electronic documentation stored on shared audit drive, with access restricted to Internal Audit staff, paperless office in place with desks clear of confidential documents (in line with Council policy)) Internal Audit staff all received training on data protection requirements as part of Corporate Induction and work closely with the Information Governance Manager.	
Competency: Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:	Yes	Required skills and experience defined within job descriptions.	Audit library to be developed to be more user friendly, with

<p>a) Only carrying out services for which they have the necessary knowledge, skills and experience?</p> <p>b) Performing services in accordance with the PSIAS?</p>		<p>Audit methodology in place to guide process, supplemented by audit library and supervision.</p> <p>Quality assurance and Improvement Programme in place and annual appraisals to identify and action any learning gaps.</p> <p>Audit control process includes continual improvement (supervisor, audit lead and client feedback).</p> <p>Audit library and other research material available to help avoid learning gaps.</p> <p>EQA performed every 5 years (April 2018) and annual self-assessment of conformance with PSIAS undertaken by Audit Services Manager.</p>	<p>greater referencing within supervisor brief.</p>
<p>c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?</p>	<p>Yes</p>	<p>Quality assurance processes in place and annual appraisals to identify and action any learning gaps. Training resource in place. Audit Services Manager currently undertaking CIA qualification and Senior Auditor undertaken CIPFA qualification.</p> <p>Audit control process includes continual improvement (supervisor, audit lead and client feedback) and weekly one to ones held with team members. Continuous improvement register introduced in 2020/21 to help capture and review all changes to audit process.</p> <p>EQA performed every 5 years, with regular review of conformance with PSIAS undertaken by Audit Services Manager (annual review of self-assessment).</p>	<p>Template form to be embedded for greater documentation of 1:1 supervision (In place for 22/23)</p>

Do internal auditors have regard to the on Standards of Public Life's Seven Principles of public life?	Yes	Integrity values and requirement to keep to the law form part of Officer's Code of Conduct for all City Council employees (based on the Nolan Principles).	
1 Definition of Internal Auditing			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
<p>Does the internal audit charter include a formal definition of:</p> <ul style="list-style-type: none"> a) The purpose b) The authority and c) The responsibility of the internal audit activity consistent with the Public Sector Internal Audit Standards 	Yes	All areas defined within Audit Charter.	
<p>Does the internal audit charter define 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>	Yes	Defined in paragraph 1.6 of Audit Charter.	
<p>Does the internal audit charter also:</p> <ul style="list-style-type: none"> a) Set out the internal audit activity's position within the organisation? b) Establish the CAE's functional reporting relationship with the board? c) Establish the accountability, reporting line and relationship between the CAE and those to whom the CAE may report administratively? 	Yes	Section 8 of Audit Charter	

<p>assurances provided to parties external to the organisation?</p> <p>o) Define the nature of consulting services?</p> <p>p) Recognise the mandatory nature of the PSIAS?</p>			
Does the chief audit executive (CAE) periodically review the internal audit charter and present it to senior management and the board for approval?	Yes	Reviewed annually – last approved by Audit Committee 17 March 2022.	
Does the CAE attend audit committee meetings?	Yes	Both Designated Head of Internal Audit and Audit Services Manager attend Audit Committee meetings – see minutes.	
Does the CAE contribute to audit committee agendas?	Yes	Both Designated Head of Internal Audit and Audit Services Manager receive draft agenda and contribute towards items – see e-mails.	
Does the CAE have direct and unrestricted access to senior management and the board?	Yes	<p>Yes – Designated Head Internal Audit reports directly to Director of Finance & Resources (member of Senior Management Team). Audit Services Manager also has direct access to Chief Exec and Audit Chair (to ensure independence due to Head of Internal Audit's dual role)</p> <p>Direct meetings held with SMT members at least annually and take place more frequently as required (and are required to contribute towards all audit engagements and planning)</p>	
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?	Yes	<p>CAE and Audit Services Manager have direct access and meet with Chief Executive and Chair of Audit Committee as required.</p> <p>Briefing meetings between Internal Audit, Director of Finance and Resources and Chair of Audit Committee held quarterly (prior to Audit Committee)</p>	

<p>Are threats to objectivity identified and managed at the following levels:</p> <p>a) Individual auditor? b) Engagement? c) Functional? d) Organisation?</p>	Yes	<p>Declarations of interest in place with mitigating actions defined where necessary.</p> <p>Audit Charter and Methodology includes controls to manage dual roles of Designated Head of Internal Audit.</p> <p>Audit methodology includes controls to manage any other conflicts of interest identified during engagements.</p>	
Does the CAE report to an organisational level equal or higher to the corporate management team?	Yes	CAE reports directly to Director of Finance & Resources (SMT) – Structure / Job Description.	
Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?	Yes	<p>CAE reports directly to Director of Finance & Resources(SMT) – Structure / Job Description.</p> <p>Both CAE and Audit Services Manager have direct access to CEO and Chair of Audit Committee.</p>	
<p>Have reporting and management arrangements been put in place that preserves the CAE's independence and objectivity?</p> <p>This is of particular importance when the CAE is line managed by another officer of the authority.</p>	Yes	<p>Internal Audit report findings reported directly to Audit Committee.</p> <p>Both CAE and Audit Services Manager have direct access to Chief Executive and Chair of Audit Committee</p> <p>Audit Charter & Methodology includes controls to manage dual roles of Designated Head of Internal Audit and preserve integrity of the audit team.</p>	

<p>Does the CAE's position in the management structure:</p> <p>a) Reflect the influence he or she has on the control environment?</p> <p>b) Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board?</p> <p>c) Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management?</p>	Yes	Yes. CAE reports directly to SMT. Audit Services Manager has direct access to Chief Executive if required to raise concerns (documented in Charter)	
<p>Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent?</p> <p>The following examples can be used by the CAE when assessing the organisational independence of the internal audit activity:</p> <p>The board:</p> <p>a) approves the internal audit charter</p> <p>b) approves the risk-based audit plan</p> <p>c) approves the internal audit budget and resource plan</p>	Yes	Charter and plan (including resource) both approved by Audit Committee annually – last reviewed 17 March 2022.	
<p>d) receives communications from the CAE on the activity's performance (in relation to the plan, for example)</p>	Yes	Quarterly progress reports to the Audit Committee including progress against plan and performance against suite of approved performance indicators (also reported as part of Council's performance management framework).	
<p>e) approves decisions relating to the appointment and removal of the CAE</p>	Partial	In reality CAE appointed by Council; however, annual charter approved annually. Audit Committee responsible for approving move to in-house team from 2017/18.	

f) seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.	Yes	Audit Committee approve annual plan, including available resource. All audit reports reported to Audit Committee when finalised, so opportunity to challenge scope limitations in place.	
Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?	Partial	Performance appraisal of CAE by S151 Officer (Line Manager). CEO has input into IA activity through regular liaison.	
Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?	Partial	No direct feedback – but performance of the Internal Audit department reviewed by Audit Committee (including Key Performance Indicators)	
1111 Direct Interaction with the Board			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Does the CAE communicate and interact directly with the board?	Yes	Regular reporting to Audit Committee and briefing meetings with Chair and Vice-Chair.	
1120 Individual Objectivity			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Do internal auditors have an impartial, unbiased attitude?	Yes	Independence & Objectivity defined within the Internal Audit Charter (section 9). Adherence monitored as part of supervision process.	
Do internal auditors avoid any conflict of interest, whether apparent or actual?	Yes	Declarations of interest in place. Audit Methodology includes controls to manage dual roles of Designated Head of Internal Audit (CAE).	
1130 Impairment to independence or objectivity			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
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	Yes	Declarations of interest in place.	

the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)?		Audit Methodology includes controls to manage dual roles of Designated Head of Internal Audit (CAE). Gifts & Hospitality declarations made when required.	
Have internal auditors assessed specific operations for which they have been responsible within the previous year?	Yes	No specific operations identified for Internal Audit Team (All employed externally, with no previous responsibility for processes at Carlisle City Council or partnership organisations). Audit Methodology includes controls to manage dual roles of Designated Head of Internal Audit (CAE).	
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?	Yes	Audit Charter & Methodology includes controls to manage dual roles of Designated Head of Internal Audit (CAE) (Paragraph 16.5). All relevant work carried out and reviewed without CAE involvement (any material amendments requested reported to Audit Committee – no instances in 2021/22).	
Are assignments for on- going assurance engagements and other audit responsibilities rotated periodically within the internal audit team?	Yes	No formal rotation in place, but small team and duties are rotated on an ad-hoc basis. No concerns raised regarding over familiarity.	
Have internal auditors declared interests in accordance with organisational requirements?	Yes	Declarations of interest in place.	
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?	Yes	Council has gifts and hospitality register (0 declarations for Internal Audit in 2021/22).	

Have any instances been discovered where an internal auditor has used information obtained during the course of duties for personal gain?	Yes	No instances identified.	
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?	Yes	Declarations of interest in place, updated annually.	
Have internal auditors complied with the Bribery Act 2010?	Yes	Yes – covered by Code of Conduct and gifts and hospitality register.	
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?	Yes	Declarations of interest in place – any potential or perceived conflicts would be addressed prior to assigning consultancy work within the team.	
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?	Yes	All formal consultancy work approved by Audit Committee. All informal consultancy work (audit advice) reported to Audit Committee as part of monitoring reports. Audit advice reported to Audit Committee and recorded on register.	
1200 Proficiency and Due Professional Care			
1210 Proficiency			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	Yes	CAE – CIPFA qualified. Audit Services Manager – PIIA qualified (studying MIIA)	
Is the CAE suitably experienced?	Yes	CAE experienced in Internal Audit (9 years) Audit Services Manager experienced in Internal Audit (12 years)	

Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	Yes	Skills and experience required included in job descriptions. Internal; Audit team all experienced Internal Auditors.	
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?	Yes	Yes, relevant job descriptions in place.	
Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	Yes	All experienced Internal Auditors with relevant qualifications and experience.	
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?	Yes	External assistance obtained where relevant, either through online guidance (if general advice) or procurement of specialist work if required (team have previously employed ICT specialist).	
Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	Yes	<p>Audit Services Manager experienced in identifying fraud and fraud risk. Internal Audit team experienced in carrying out fraud investigations and have received relevant training.</p> <p>Audit Services Manager delivers regular anti-fraud training to other Council Officers.</p> <p>Annual self-assessment of fraud in place against best practice.</p>	

Do internal auditors have sufficient knowledge of key information technology risks and controls?	Yes	Audit library in place if further information required.	Audit library to be developed to be more user friendly, with greater referencing within supervisor brief.
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?	Partial	CAAT currently not deemed appropriate for small team, but team is experienced in use of relevant IT software and adopts as necessary. Further development under consideration.	Annual formal assessment of CAATS identified as improvement area (review to be documented in 21/22 but unlikely to utilise CAATs).
1220 Due Professional Care			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Do internal auditors exercise due professional care by considering the: a) Extent of work needed to achieve the engagement's objectives? b) Relative complexity, materiality or significance of matters to which assurance procedures are applied? c) Adequacy and effectiveness of governance, risk management and control processes? d) Probability of significant errors, fraud, or non-compliance? e) Cost of assurance in relation to potential benefits?	Yes	Guidance available through audit methodology and template folders. Audit brief and Scoping carried out for all audit reviews to ensure relevant objectives are understood. Formal supervisor brief completed for all reviews.	
Do internal auditors exercise due professional care during a consulting engagement by considering the a) needs and expectations of clients, including the nature, timing and communication of engagement results? b) Relative complexity and extent of work needed to achieve the engagement's objectives? c) Cost of the consulting engagement in relation to potential benefits?	Yes	All audits subject to time constraints and scoping so that requirements are understood. Timeliness of reporting embedded in audit methodology and measured by performance indicators. Client feedback obtained as part of continuous improvement programme.	

		Added value of assignment determined in planning stages and monitored at early stages of review to ensure still relevant.	
1230 Continuing Professional Development			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE defined the skills and competencies for each level of auditor?	Yes	Skills and competencies reviewed as part of each audit engagement (continuous improvement) and annual team appraisal.	
Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	Yes	Skills and competencies reviewed as part of each audit engagement (continuous improvement) and any development areas identified with agreed actions. Annual appraisal process in place to review performance.	
Do internal auditors undertake a programme of continuing professional development?	Yes	Audit Services Manager communicates relevant professional information to team. CPD documented in QAIP (annual report of QAIP outcomes to be issued by Audit Services Manager to CAE for inclusion in annual report).	
Do internal auditors maintain a record of their professional development and training activities?	Yes	Record of training undertaken recorded in QAIP.	
1300 Quality Assurance and Improvement Programme			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE developed a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?	Yes	Plan in place, updated annually, including performance against previous years.	

Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?	Yes	Audit methodology includes feedback from supervisor, audit lead and client.	
Does the CAE maintain the QAIP?	Yes	Plan in place for 2020/21, reviewed as part of annual refresh..	Development of QAIP.
If the organisation is a 'larger relevant body' in England, does it conduct a review of the effectiveness of its internal audit at least annually, in accordance with the Accounts and Audit (England) Regulations 2011 section 6(3)?	Yes	Self assessment updated on an annual basis.	
1310 Requirements of the Quality Assurance and Improvement Programme			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Does the QAIP include both internal and external assessments?	Yes	Yes, both included.	
1311 Internal Assessments			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	Yes	Delegation delivered by Audit Services Manager who has understanding of team's strength, abilities and knowledge.	
Do internal assessments include ongoing monitoring of the internal audit activity, such as: a) Routine quality monitoring processes? b) Periodic assessments for evaluating conformance with the PSIAS?	Yes	Routine quality monitoring in place for every individual engagement. Weekly one to one discussion with team members. Annual self-assessment of adherence to PSIAS in place. Last reviewed June 2022.	
Does on - going performance monitoring include comprehensive performance targets?	Yes	KPI measures in place, reviewed quarterly and presented to Audit Committee.	

Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	Yes	Issued to Audit Committee for annual approval.	
Does the CAE measure, monitor and report on progress against these targets?	Yes	Progress reported to Audit Committee on a quarterly basis. KPI also reported as part of Corporate Performance Monitoring arrangements. Progress against plan monitored in one to one meetings between CAE and Audit Services Manager	
Does ongoing performance monitoring include obtaining stakeholder feedback?	Yes	Client satisfaction surveys issued for all audit engagements (see methodology)	
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? 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.	Yes	Self-assessment carried out by Audit Services Manager. EQA performed in April 2018.	
Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	Yes	Progress against the plan reported quarterly (including relevant KPI).	
1312 External Assessments			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has an external assessment been carried out, or is planned to be carried out, at least once every five years?	Yes	EQA last performed in April 2018.	
Has the CAE considered the pros and cons for the different types of external assessment (i.e. 'full' or self-assessment plus 'independent validation')?	Yes	Considered as part of procurement exercise. Full assessment delivered for 2018 review as team was new.	

Has the CAE discussed the proposed form of the external assessment and the qualifications and independence of the assessor or assessment team with the board?	Yes	Reported to Audit Committee in January 2018.	
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?	Yes	Director of Finance and Resources involved in procurement exercise. Audit Committee reviewed and approved appointment.	
Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?	Yes	Reviewed with provider prior to assessment.	
<p>Has the assessor or assessment team demonstrated its competence in both areas of professional practice of internal auditing and the external assessment process?</p> <p>Competence can be determined in the following ways:</p> <ul style="list-style-type: none"> a) experience gained in organisations of similar size b) complexity c) sector (ie the public sector) d) industry (ie local government), and e) technical experience. <p>Note that if an assessment team is used, competence needs to be demonstrated across the team and not for each individual member.</p>	Yes	Relevant information provided as part of procurement exercise. Assessor chosen based on competencies and experiences demonstrated in bid.	
How has the CAE used his or her professional judgement to decide whether the assessor or assessment team demonstrates sufficient competence to carry out the external assessment?	Yes	Yes, formal procurement exercise undertaken, with consideration given to three submissions from qualified and relevant providers.	

Does the assessor or assessment team have any real or apparent conflicts of interest with the organisation? This may include, but is not limited to, being a part of or under the control of the organisation to which the internal audit activity belongs.	Yes	Yes, considered as part of procurement exercise. No conflicts identified. Recognised national provider of EQA.	
1320 Reporting on the Quality Assurance and Improvement Programme			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE reported the results of the QAIP to senior management and the board? Note that: a) the results of both external and periodic internal assessment must be communicated upon completion	Yes	Outcome of external assessment and QAIP reported to Audit Committee.	
b) the results of ongoing monitoring must be communicated at least annually c) the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.	Yes	Outcome against recommendations of external assessment to be included in annual report. Annual self-assessments will be reported annually from next year. Action plan in place (see below)	
Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	Yes	Recorded in annual report	
1321 Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	Yes	Recorded in annual report.	

1322 Disclosure of Non conformance			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE reported any instances of non-conformance with the PSIAS to the board?	Yes	None identified.	
Has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	Yes	None identified.	
4 Performance Standards			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Do the results of the internal audit activity's work achieve the purposes and responsibility of the activity, as set out in the internal audit charter?	Yes	Methodology in place to ensure work delivered in line with the charter. Supervision and control sheet process in place to ensure compliance.	
Does the internal audit activity conform with the Definition of Internal Auditing and the Standards?	Yes	Defined in charter and methodology.	
Do individual internal auditors, who are part of the internal audit activity, demonstrate conformance with the Code of Ethics and the Standards?	Yes	Defined in charter and job descriptions. Line Manager responsibilities in place to monitor adherence.	
Does the internal audit activity add value to the organisation and its stakeholders by a) Providing objective and relevant assurance? b) Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes?	Yes	Defined in charter and methodology.	
2010 Planning			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE determined the priorities of the internal audit activity in a risk-based plan and are	Yes	Priorities defined using planning methodology based on risk-scored methodology designed to highlight risk	

these priorities consistent with the organisation's goals?		areas and consider organisational objectives (including discussions with SMT). Internal Audit plan approved for 2022/23.	
Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?	Yes	Annual opinion reported to Audit Committee and fed into Annual Governance Statement. 2021/22 opinion to be reported July 2022.	
Does the risk-based plan take into account the organisation's assurance framework?	Yes	Relevant risks identified from assurance framework and considered as part of planning process and annual opinion. See planning methodology. Some developments of audit universe and collation of assurances developed in 2021/22.	
Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of: a) How the internal audit service will be delivered? How the internal audit service will be developed in accordance with the internal audit charter? b) How the internal audit service links to organisational objectives and priorities?	Yes	Audit planning methodology in place, linked to audit charter and methodology.	
Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	Yes	Scoring process in place for monitoring local and national risks, with risk universe in place. Scoring and process defined in audit methodology. Proposed scope included as part of plan (to ensure relevant issues identified are captured)	
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?	Yes	Risks identified as part of risk management process (i.e. risk registers) included as part of planning process. See planning methodology.	

		Current process is focused on Internal Audit's assessment of risk, so not reliant on RM process, but recorded risks considered as part of the scoring process.	
If such a risk management framework does not exist, has the CAE used his or her judgement of risks after input from senior management and the board and evidenced this?	Yes	Risk universe in place to identify and use all identified risks as part of the planning process. As above, current scoring process focused on IA opinion of risk, but some consideration of risks recorded in risk registers.	
Does the risk-based plan set out the: a) Audit work to be carried out? b) Respective priorities of those pieces of audit work? c) Estimated resources needed for the work?	Yes	All audit work and resources specified in plan. Each item has a risk score, which defines the relevant priority required, though Internal Audit aim to deliver 100% of the plan in the year. Further direction on priority dictated by relevant ongoing discussions with SMT and the Audit Committee and ongoing monitoring by the Audit Services Manager (flexibility embedded into the planning methodology).	
Does the risk-based plan differentiate between audit and other types of work?	Yes	Categorisation of audit work in place.	
Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	Yes	Defined in the audit methodology. Risk scoring ongoing. Any significant risks will be identified and Audit Committee will be asked to approve amendments to the plan. Risks monitored on an ongoing basis with flexibility embedded into the planning methodology)	

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?	Yes	As above – regular review of risk universe and scoring.	
Is the internal audit activity's plan of engagements based on a documented risk assessment?	Yes	Risk based scoring process in place, as defined in the planning methodology.	
Is the risk assessment used to develop the plan of engagements undertaken at least annually?	Yes	Regular (monthly) risk monitoring and assessment in place, with planning process carried out annually (alongside ongoing monitoring)	
In developing the risk-based plan, has the CAE also considered the following: a) Any declarations of interest (for the avoidance for conflicts of interest)? b) The requirement to use specialists, e.g. IT or contract and procurement auditors? c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary?	Yes	Conflicts managed using different members of the team. Specialist ICT work was not considered in 2021/22 as ICT concerns already agreed with Senior Management (would not add further value). Requirement for specialist ICT work recognised and monitored on an ongoing basis. Contingencies in place for all perceived audit work, including fraud investigations and provision of audit advice.	
c) 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?	Yes	Time in plan for routine administration, attendance of audit committee and planning process.	
Is the input of senior management and the board considered in the risk assessment process?	Yes	At minimum, annual meeting with all SMT to discuss internal audit plan – see planning methodology, but ongoing discussions take place throughout the year.	

Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	Yes	Management expectations will be considered as part of annual opinion.	
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?	Yes	All audit work undertaken including formal consulting assignments, fraud investigations and ad-hoc advice considered as part of overall opinion.	
Are consulting engagements that have been accepted included in the risk-based plan?	Yes	Consultancy engagements included for consideration as part of planning process and contingency in place for consulting engagements if required (also defined in charter and methodology).	
2020 Communication & Approval			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	Yes	Internal Audit plan presented to SMT and approved by Audit Committee on an annual basis.	
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?	Yes	Amendments to plan reported to Audit Committee as and when required.	
Has the CAE communicated the impact of any resource limitations to senior management and the board?	Yes	Performance and mitigating activity reported to Audit Committee as part of progress reports. Guidance received from CIPFA for annual opinion as all public authorities impacted by pandemic.	

2030 Resource Management			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Does the risk-based plan explain how internal audit's resource requirements have been assessed?	Yes	See planning methodology.	
Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise abortive work and time?	Yes	Yes, timing agreed as part of scoping process. Reasonable adjustments made as and when arising (e.g. delayed due to long term sickness mid audit).	
If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board? This may include an imbalance between the work plan and resource availability and/or other significant matters that jeopardise the delivery of the plan or require it to be changed.	Yes	Performance and mitigating activity reported to Audit Committee as part of progress reports. Guidance received from CIPFA for annual opinion as all public authorities impacted by pandemic.	
2040 Policies & Procedures			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE developed and put into place policies and procedures to guide the internal audit activity?	Yes	Charter, methodology and planning methodology in place and reviewed annually	
Has the CAE established policies and procedures to guide staff in performing their duties in a manner than conforms to the PSIAS? Examples include maintaining an audit manual and/or using electronic management systems.	Yes	Manual in place with methodology and template documents designed in line with PSIAS requirements. Supervisory and control process in place to ensure compliance with approved methodology.	
Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	Yes	Amended as required, including full annual review at start of each financial year and ongoing continuous improvement activity.	

2050 Coordination			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?	Yes	Assurance mapping exercise included as part of planning process. Other sources of assurance would be used for relevant audits if identified. Extent of reliance would be assessed on an individual basis.	Assurance collation currently ad-hoc – process to properly capture assurances to be embedded in methodology and supporting monitoring documents
Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	Yes	Assurance mapping exercise included as part of planning process and referenced in annual opinion.	Assurance collation currently ad-hoc – process to properly capture assurances to be embedded in methodology and supporting monitoring documents
Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?	Yes	Regular meetings with External Auditors. Internal Audit part of Risk Management sub-group with other internal assurance functions, so will identify arising issues. Internal Audit work with Insurance, Health and Safety, Performance Monitoring, Corporate Governance, Information Governance, ICT and Procurement functions as part of individual engagement process.	No sub-group meetings took place in year. To be reintroduced from 22/23.
Does the CAE meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans?	Yes	Regular meetings, including annual presentation of Internal Audit report.	Redmond review identified need for closer liaison between internal and external audit.
2060 Reporting to Senior Management and the Board			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Does the CAE report periodically to senior management and the board on the internal audit	Yes	Chief Executive and all relevant Senior Managers receive copies of final audit reports. Partial/Limited reviews presented to SMT.	

activity's purpose, authority, responsibility and performance relative to its plan?		Quarterly progress reports to the Audit Committee.	
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?	Yes	<p>All risk exposures identified by Internal Audit included in quarterly report (all audit reports presented).</p> <p>Fraud risk subject to annual self-assessment against best practice.</p> <p>Governance risk assessed against Good Governance Principles on an annual basis.</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?	Yes	Established quarterly monitoring in place	
2070 External Service Provider and Organisational Responsibility for Internal Auditing.			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
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?	Yes	N/A	
2100 Nature of Work			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Does the internal audit activity evaluate and contribute to the improvement of the organisation's governance, risk management and internal control processes?	Yes	Audit engagements and methodology devised to recommend improvements to governance, risk management and internal controls.	

		Internal Audit also represented at Risk Management group to offer further advice and support regarding internal controls.	
Does the internal audit activity evaluate and contribute to the improvement of the above using a systematic and disciplined approach and is this evidenced?	Yes	Systematic approach defined within audit methodology.	
2110 Governance			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Does the internal audit activity: a) Promote appropriate ethics and values within the organisation? b) Ensure effective organisational performance management and accountability? c) Communicate risk and control information to appropriate areas of the organisation? d) Coordinate the activities of and communicate information among the board, external and internal auditors and management?	Yes	Audits designed to meet organisational objectives. Audit templates include standard testing of governance processes. Risk management testing enhanced in 2021/22.	
Does the internal audit activity assess and make appropriate recommendations for improving the governance process as part of accomplishing the above objectives?	Yes	See above – standard governance template and relevant recommendations made throughout.	
Has the internal audit activity evaluated the: a) design b) implementation, and c) effectiveness of the organisation's ethics-related objectives, programmes and activities?	Yes	Ethical governance considered as part of audit reviews where relevant.	
Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	Yes	It was mutually agreed between Internal Audit and Senior Managers that ICT risk was a control concern, to be included in the annual report due to level of vacancies and pressures within the team. Audit work	

		was therefore limited in 2021/22, as would not add further value, though IA continue to work with ICT on specific risk issues as and when identified.	
Has the CAE considered the proportionality of the amount of work required to assess the ethics and information technology governance of the organisation when developing the risk-based plan?	Yes	Included in risk universe.	
2120 Risk Management			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that: <ul style="list-style-type: none"> a) Organisational objectives support and align with the organisation's mission b) Significant risks are identified and assessed? c) Appropriate risk responses are selected that align risks with the organisation's risk appetite? d) Relevant risk information is captured and communicated in a timely manner across the organisation, thus enabling the staff, management and the board to carry out their responsibilities? 	Yes	Adherence to Risk Management Process is standard working paper.	
Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the: <ul style="list-style-type: none"> a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? 	Yes	The 5 stated control areas are considered as part of formulating relevant risks as part of each individual audit.	

c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?			
Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	Yes	Annual assessment of Counter-Fraud arrangements in place against best practice from 2019/20 Counter-fraud included in audit universe as reviewable area Audit takes an active role in fraud reviews - performing all relevant investigations and delivery of fraud training and participating in the NFI. Audit of Procurement fraud undertaken in 21/22. Any identified fraudulent activity included in risk scoring of auditable areas (including relevant frauds outside of the authority if identified in news articles).	
Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	Yes	Relevant risks will be identified in the terms of engagement for any consulting activities (see methodology)	
Are internal auditors alert to other significant risks when undertaking consulting engagements?	Yes	Audits based on all identified risks within the area. Engagements include planning time for the Internal Auditor to identify potential risk areas that management may not be aware of.	
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?	Yes	Audit clearly not responsible for risk management. Built into charter, methodology and template reports.	
2130 Control			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23

Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the: a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?	Yes	See above – included as part of all reports	
Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	Yes	Where relevant	
2200 Engagement Planning			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Do internal auditors develop and document a plan for each engagement?	Yes	Brief and scope prepared for all engagements.	
Does the engagement plan include the engagement's: a) Objectives? b) Scope? c) Timing? d) Resource allocations	Yes	Yes – template scope and agenda in place and approach defined in methodology.	
Do internal auditors consider the following in planning an engagement, and is this documented: a) The objectives of the activity being reviewed? b) The means by which the activity controls its performance?	Yes	Yes – template scope and agenda in place and approach defined in methodology.	

c) The significant risks to the activity being audited? d) The activity's resources? e) The activity's operations? f) The means by which the potential impact of risk is kept to an acceptable level? g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model? h) The opportunities for making significant improvements to the activity's governance, risk management and control processes.			
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: a) Objectives? b) Scope?	Yes	N/A No external reviews.	
c) The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)?	Yes	N/A No external reviews	
For consulting engagements, have internal auditors established an understanding with the engagement clients about the following: a) Objectives? b) Scope? c) The respective responsibilities of the internal auditors and the client and other client expectations?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review (as embedded in methodology).	

For significant consulting engagements, has this understanding been documented?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review (as embedded in methodology).	
2210 Engagement Objectives			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Have objectives been agreed for each engagement?	Yes	Included in Scope (See template document)	
Have internal auditors carried out a preliminary risk assessment of the activity under review?	Yes	All audited areas include preliminary risk score as part of audit planning process (see planning methodology). This is developed as part of audit preparation prior to scoping meeting (See methodology)	
Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	Yes	Briefing includes risk score and any relevant risks identified. Scoping meeting based on a mutual understanding between audit and client leads on the perceived risks	
Have internal auditors considered the probability of the following, when developing the engagement objectives: a) Significant errors? b) Fraud? c) Non-compliance? d) Any other risks?	Yes	Relevant risks considered during scoping exercise (see methodology).	
Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether objectives and goals have been accomplished?	Yes	Template working paper in place for review of governance processes.	
If the criteria have been deemed adequate, have the internal auditors used the criteria in their	Yes	If control design is deemed adequate it will be subject to testing (see methodology).	

evaluation of governance, risk management and controls?			
If the criteria have been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	Yes	Recommendations made for improvements to control framework.	
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?	Yes	All aspects considered when reviewing vfm.	
Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.	
Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.	
2220 Engagement Scope			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Is the scope that is established for the engagement sufficient to satisfy the engagement's objectives?	Yes	Scope established the risks to be reviewed relevant to the engagement area.	
Does the engagement scope include consideration of the following relevant areas of the organisation: a) Systems? b) Records? c) Personnel? d) Premises?	Yes	Risks relevant to these four factors considered as part of the scoping exercise. Template testing schedules in place to ensure these factors are considered.	
Does the engagement scope include consideration of the following	Yes	Risks relevant to these four factors considered as part of the scoping exercise.	

relevant areas under the control of outside parties, where appropriate: a) Systems? b) Records? c) Personnel? d) Premises?		Template testing schedules in place to ensure these factors are considered.	
Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.	
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?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review, including agreed audit output (usually report/memo)	
For a consulting engagement, was the scope of the engagement sufficient to address any agreed-upon objectives?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.	
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?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review. No reservations identified during 2020/21	
During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.	
During consulting engagements, were internal auditors alert to any significant control issues?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review. Purpose of any	

		consulting engagement would be identify control issues at an early stage.	
2230 Engagement Resource Allocation			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of the engagement based on: a) The nature and complexity of each individual engagement? b) Any time constraints? c) The resources available?	Yes	Time estimates assigned to individual reviews and audit plan balanced to available resource. Review of allocation carried out as part of supervisory process (control sheets) Performance monitored (KPI) Reasons for any variations noted in audit universe and on supervisor sheets	
2240 Engagement Work Programme			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Have internal auditors developed and documented work programmes that achieve the engagement objectives?	Yes	Standard work programme in place as recorded in methodology with regular supervision of progress against milestones.	
Do the engagement work programmes include the following procedures for: a) Identifying information? b) Analysing information c) Evaluating information? d) Documenting information?	Yes	Documented in methodology Relevant risks and controls in place identified in scoping meeting and other interviews and correspondence. Suitability of controls checked through audit testing. Control framework evaluated based on testing. All findings documented.	
Were work programmes approved prior to implementation for each engagement?	Yes	All audit work follows same basic work programme (control sheet in place to ensure adherence).	
Were any adjustments required to work programmes approved promptly?	Yes	All audit work follows same basic work programme with variations agreed by audit manager (control sheet in place to ensure adherence). Variations discussed as required, but weekly supervision in place to ensure no gaps.	

2300			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Have internal auditors carried out the following in order to achieve each engagement's objectives: a) Identify sufficient information? b) Analyse sufficient information? c) Evaluate sufficient information?	Yes	All audit work follows same basic work programme with variations agreed by audit manager (control sheet in place to ensure adherence).	
d) Document sufficient information?	Yes	All audit work follows same basic work programme with variations agreed by audit manager (control sheet in place to ensure adherence).	
2310 – Identifying Information			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Have internal auditors identified the following in order to achieve each engagement's objectives: a) Sufficient information? b) Reliable information? c) Relevant information? d) Useful information?	Yes	Information related should relate to contents of agreed scope.	
Have internal auditors based their conclusions and engagement results on appropriate analyses and evaluations?	Yes	Working papers complete to support conclusions (which are reviewed by the Audit Supervisor)	
Have internal auditors remained alert to the possibility of the following: a) intentional wrongdoing b) errors and omissions c) poor value for money d) failure to comply with management policy, and e) conflicts of interest	Yes	Established controls subject to testing devised to pick up these factors where relevant.	
When performing their individual audits, and has this been documented?	Yes	All findings documented in relevant working papers.	

Have internal auditors documented the relevant information required to support engagement conclusions and results?	Yes	All findings recorded in working papers, including supporting documentation.	
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?	Yes	All working papers subject to review by Audit Supervisor to ensure reasonable and supported conclusions are made.	
Does the CAE control access to engagement records?	Yes	Electronic records only – access restricted to Internal Audit team.	
Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?	Yes	<p>Audit reports are only documentation routinely made public. All reports subject to sign off from a Senior Manager, who is aware the information will be made public. Reports deemed to include sensitive information are restricted.</p> <p>Clearance would be obtained for any other information issued to a third party or made public (no instances to date).</p>	
Has the CAE developed and implemented retention requirements for all types of engagement records?	Yes	<p>Audit documentation retained on file by financial year. Folders are archived when all relevant audit activity is completed for the year (including specifying deletion date).</p> <p>All information retained for 6 years plus current in line with retention requirements.</p>	
Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	Yes	Standard 6 years plus current adopted.	

Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	Yes	Supervisor sheet in place, which includes continual improvement by identifying learning from any issues or difficulties identified. Client satisfaction surveys issued. Weekly supervision of progress.	
Is appropriate evidence of supervision documented and retained for each engagement	Yes	Supervisors document comments and changes electronically on copy of working papers, which are retained on file. Supervisor signs control sheet at end of review, which is scanned and retained on file.	
2400 Communicating Results			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Do internal auditors communicate the results of engagements?	Yes	All reports issued to audit client, Senior Manager, Chief Executive and Audit Committee as well as any other relevant Officers identified in terms of reference and during the audit review.	
2410 Criteria for communicating			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Do the communications of engagement results include the following a) The engagement's objectives? b) The scope of the engagement? c) Applicable conclusions?	Yes	All included as standard information within template reports.	
d) Recommendations and action plans, if appropriate?	Yes	Standard template report in place.	
Has the internal auditor discussed the contents of the draft final report with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions?	Yes	Draft audits issued to Client Lead to confirm accuracy and agreed actions. Senior Manager receives copy for comment prior to finalisation. Process defined in methodology.	

If recommendations and an action plan have been included, are recommendations prioritised according to risk?	Yes	Recommendations are either given High or Medium priority. Further advisory comments are made in reports and included as part of separate appendix for management information.	
If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?	Yes	Timescales included in action plan template.	
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?	Yes	Disagreements are noted in senior management comments of the report.	
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, subject to confidentiality requirements?	Yes	Yes, all relevant facts disclosed (as judged by individual auditor)	
Do the final communications of engagement results contain, where appropriate, the internal auditor's opinions and/or conclusions, building up to the annual internal audit opinion on the control environment?	Yes	Yes. Overall opinion based on achievement of the annual programme.	
When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	Yes	Yes. Senior Managers receive copy for comment, all partial/limited reviews reported to SMT and Board receives copy of all final reports.	

When an opinion or conclusion is issued, is it supported by sufficient, reliable, relevant and useful information?	Yes	All audit reports supported by relevant working papers (subject to supervisory review)	
Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	Yes	Audit methodology and template requires balanced findings to be stated (positives and negatives)	
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?	Yes	All audit reports (unless containing sensitive information) are public documents (content is considered as part of report preparation). Names and sensitive information are not included in public audit reports. Any reports issued under part 2 (private) are restricted to relevant officers and Audit Committee.	
If the CAE has been required to provide assurance to other partnership organisations, has he or she also demonstrated that their fundamental responsibility is to the management of the organisation to which they are obliged to provide internal audit services?	Yes	N/A No assurances provided to partnership organisations.	
2420 Quality of Communications			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Are communications: a) Accurate b) Objective c) Clear d) Concise e) Constructive f) Complete g) Timely	Yes	Audit methodology and supervisory process devised to ensure quality of audit communication. KPI established to measure the timeliness of audit reviews.	

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?	Yes	No instances identified in 2021/22. However, any material errors identified would be reported to relevant officers and members who had received original erroneous communication.	
2430 Use of “Conducted in Conformance with the International Standards for the Practice of Internal Auditing”.			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Do internal auditors report that engagements are ‘conducted in conformance with the PSIAS’ only if the results of the QAIP support such a statement?	Yes	No non-conformance identified. Standard paragraph in audit report templates.	
2431 Engagement Disclosure of Non-conformance			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following: a) The principle or rule of conduct of the Code of Ethics or Standard(s) with which full conformance was not achieved? b) The reason(s) for non-conformance? c) The impact of non-conformance on the engagement and the engagement results?	Yes	No non-conformances identified, but would be disclosed in the appropriate manner if and when identified.	
2440 Disseminating Results			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	Yes	In line with audit methodology results are reported to Audit Client, relevant Corporate Director, Chief Executive and any other relevant parties as identified in individual engagement. Reports are then issued to Audit Committee and minutes made available to full Council.	

		<p>Partial audit reports are reported to SMT.</p> <p>Audit methodology/Audit Reports</p> <p>Final audit reports public information (do not contain names or personal information) unless content is considered confidential.</p>	
Has the CAE communicated engagement results to all appropriate parties?	Yes	<p>In line with audit methodology results are reported to Audit Client, relevant Corporate Director, Chief Executive and any other relevant parties as identified in individual engagement (particularly any additional people assigned responsibility for actions as part of the action plan). Reports are then issued to Audit Committee and minutes made available to full Council.</p> <p>Partial audit reports are reported to SMT.</p>	
<p>Before releasing engagement results to parties outside the organisation, did the CAE:</p> <p>a) Assess the potential risk to the organisation?</p> <p>b) Consult with senior management and/or legal counsel as appropriate?</p> <p>c) Control dissemination by restricting the use of the results?</p>	Yes	<p>All audit reports ultimately become public documentation unless identified as part 2 items (which would be kept internal to Council). Reports are written to ensure confidential information is not disclosed.</p> <p>Part 2 audit reports restricted to relevant officers and audit committee only.</p>	
Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.	
2454 Overall Opinion			

Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE delivered an annual internal audit opinion?	Yes	Audit opinion stated in annual report to Audit Committee	
Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?	Yes	Included in report	
Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	Yes	Included in report	
Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information?	Yes	Annual report is supported by internal audit work delivered in the year.	
Does the communication identify the following: a) The scope of the opinion, including the time period to which the opinion relates? b) Any scope limitations? c) The consideration of all related projects including the reliance on other assurance providers? d) The risk or control framework or other criteria used as a basis for the overall opinion?	Yes	Scope (including limitations), consideration of all internal audit work and the control assessment adopted all included in overall opinion.	
Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	Yes	Reasons stated when required	
Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?	Yes	Yes, annual report delivered annually in July Audit Committee.	

Does the annual report incorporate the following: a) The annual internal audit opinion? b) A summary of the work that supports the opinion? c) A disclosure of any qualifications to the opinion? d) The reasons for any qualifications to the opinion?	Yes	As above	
e) A disclosure of any impairments or restriction in scope? f) A comparison or work actually carried out with the work planned? g) A statement on conformance with the PSIAS? h) The results of the QAIP?	Yes	As above.	
i) Progress against any improvement plans resulting from the QAIP? j) A summary of the performance of the internal audit activity against its performance measures and targets? k) Any other issues that the CAE judges is relevant to the preparation of the governance statement?	Yes	As above. Performance measure outcomes included in annual report. QAIP in place.	
2500 Monitoring Progress			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
Has the CAE established a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action?	Yes	All outstanding audit recommendations registered and followed up on a routine basis until implemented or management have accepted risks. Progress reported to Audit Committee on a quarterly basis. <i>See section 10 of Audit Methodology.</i>	

Where issues have during the follow-up process, has the CAE considered revising the internal audit opinion?	Yes	Reports prepared for all follow-ups of all areas rated partial or lower. Audit opinion is revised in report based on extent recommendations have been actioned. Audit universe also updated. <i>See section 10 of Audit Methodology.</i>	
Do the results of monitoring management actions inform the risk-based planning of future audit work?	Yes	Partial (and below) assessments receive ongoing follow-up reviews until control assessment is improved (to reasonable or substantial). Risk score for auditable areas partly based on outcome of previous audit. Recurrent (theme) and high graded recommendations recorded in risk universe (therefore implementing risk scores within audit universe). <i>See planning methodology.</i>	
Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	Yes	Any recommendations from consultancy reviews will be recorded on register of outstanding recommendations in line with audit process. <i>See section 10 of Audit Methodology</i>	
2600 Communicating the Acceptance of Risks			
Conformance with the Standard	Y/P/N	Evidence (Comments)	Improvements 2022/23
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?	Yes	No instances identified 2021/22. <i>Audit Methodology specifies process for none acceptance of recommendations.</i>	
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?	Yes	No instances identified 2021/22. <i>Audit Methodology specifies process for none acceptance of recommendations.</i>	