

## CHAPTER FOUR

# Checklist for Assessing Conformance with the PSIAS and the Local Government Application Note

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

Please tick to indicate Y = YES, P = PARTIAL, N = NO. Evidence for each response must be provided and reasons for any partial or full non-conformance should be given, together with any compensating measures in place or actions in progress to address this.

Ref	Conformance with the Standard	Y	P	N	Evidence
1	<b>Definition of Internal Auditing</b>				
	Using evidence gained from assessing conformance with other Standards, is the internal audit activity:				
	a) Independent?	✓			The internal audit activity is independent as it reports directly to senior management.

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	b) Objective?	✓			Internal auditors are objective in the work that they carry out.
	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?	✓			A systematic and disciplined approach is used by the internal audit team to evaluate the effectiveness of risk management, control and governance within the organisation and where necessary improvements are suggested.
<b>2</b>	<b>Code of Ethics</b>				
	<p><b>Integrity</b></p> <p>Using evidence gained from assessing conformance with other Standards, do internal auditors:</p> <p>a) Perform their work with honesty, diligence and responsibility?</p> <p>b) Observe the law and make disclosures expected by the law and the profession?</p> <p>c) Not knowingly partake in any illegal activity nor engage in in acts that are discreditable to the profession of internal auditing or to the</p>	<p>✓</p> <p>✓</p> <p>✓</p>			<p>Internal auditors carry out their work with honesty, diligence and responsibility, in line with organisational policies and requirements of professional bodies to which they are part of.</p> <p>Relevant legislations and regulations are reviewed in each area audited. Where compliance is not adhered to this is disclosed within the reports, to senior management and if necessary would be communicated to the appropriate bodies.</p> <p>Internal auditors do not knowingly partake in any illegal activity and they have a duty to remain creditable to</p>

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	<p>organisation?</p> <p>d) Respect and contribute to the legitimate and ethical objectives of the organisation?</p>	✓			<p>the profession of internal auditing to maintain their professional qualification.</p> <p>Internal auditors respect and contribute to the ethical objectives of the organisation as these are considered throughout the reviews carried out to ensure that ethical objectives are being maintained.</p>
	<p><b>Objectivity</b></p> <p>Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by not:</p> <p>a) Taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment?</p> <p>b) Accepting anything that may impair or be presumed to impair their professional judgement?</p> <p>c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?</p>	<p>✓</p> <p>✓</p> <p>✓</p>			<p>Internal auditors do not carry out any activities that would impair on their unbiased assessment. For example, auditors would not carry out reviews in the same area as family members work.</p> <p>Internal auditors do not accept anything that may impair their professional judgement. If any offers are made then this is recorded within the organisations gifts and hospitality policy and form.</p> <p>All material facts identified during activities are disclosed.</p>
	<p><b>Confidentiality</b></p>				

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	<p>Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:</p> <p>a) Acting prudently when using information acquired in the course of their duties and protecting that information?</p> <p>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?</p>	<p>✓</p> <p>✓</p>			<p>Information obtained in the course of their duties is protected to ensure that the sensitive of any data is maintained. Paper documents are stored within lockable cabinets and electronic data is stored within areas only accessible by auditors. Information is not communicated to others unless necessary and confidentiality is maintained.</p> <p>Internal auditors do not use information for any personal gain. Access to information is for the use of audits being carried out. If necessary checks can be made on electronic data accessed to ensure that this was only accessed for legitimate reasons.</p>
	<p><b>Competency</b></p> <p>Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:</p> <p>a) Only carrying out services for which they have the necessary knowledge, skills and experience?</p>	<p>✓</p>			<p>Services would only be carried out by internal auditors if they had the necessary knowledge, skills and experience. For example, IT audits would not be carried out in-house as the appropriate skills are not possessed by the internal auditors.</p>

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	b) Performing services in accordance with the PSIAS?	✓			Internal auditors perform services in line with the requirements of PSIAS.
	c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?	✓			Internal auditors ensure that they continually improve their proficiency, effectiveness and quality of their service by ensuring that CPD requirements are maintained in line with qualifications that they hold. To ensure that they are up to date with emerging changes within the profession.
	Do internal auditors have regard to the on Standards of Public Life's <i>Seven Principles of Public Life</i> ?	✓			Internal auditors have regard for the seven principles of public life as detailed within the Council's Officer Code of Conduct policy.
	<b>Standards</b>				
<b>3</b>	<b>Attribute Standards</b>				
<b>3.1</b>	<b>1000 Purpose, Authority and Responsibility</b>				
	Does the internal audit charter include a formal definition of:				An audit charter is in place however, it requires updating and further details to be included. It does include the purpose, authority and responsibility of the internal audit activity.
	a) the purpose		✓		
	b) the authority, and		✓		
	c) the responsibility		✓		
	of the internal audit activity consistent with the Public Sector Internal				

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	Audit Standards (PSIAS)?				
<b>LGAN</b>	Does the internal audit charter define the terms 'board' and 'senior management', for the purposes of the internal audit activity? Note that it is expected that the audit committee will fulfil the role of the board in the majority of instances.		✓		As above.
<b>LGAN</b>	Does the internal audit charter also:  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?		✓ ✓ ✓		As above.
<b>LGAN</b>	d) 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?  e) 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?		✓ ✓		As above.
<b>LGAN</b>	f) Define the scope of internal audit activities?		✓		
<b>LGAN</b>	g) Recognise that internal audit's remit extends to the entire control		✓		As above.

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	environment of the organisation?				
LGAN	h) Identify internal audit's contribution to the review of effectiveness of the control environment, as set out in the Accounts and Audit (England) Regulations 2011?		✓		
LGAN	i) Establish the organisational independence of internal audit?		✓		
	j) Cover the arrangements for appropriate resourcing?		✓		
	k) Define the role of internal audit in any fraud-related work?		✓		
	l) Set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?		✓		
	m) Include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities?		✓		As above.
	n) Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?		✓		
	o) Define the nature of consulting services?		✓		
	p) Recognise the mandatory nature of the PSIAS?			✓	
	Does the chief audit executive (CAE) periodically review the internal audit charter and present it to senior management and the board for approval?	✓			The CAE periodically reviews the internal audit charter when required. Updates are reported to senior management and the board for approval.

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	Does the CAE attend audit committee meetings?	✓			The CAE does attend the audit committee meetings. If she is unable to attend then the internal auditor or CFO will attend in her absence.
	Does the CAE contribute to audit committee agendas?	✓			The CAE does contribute to the audit committee agendas by putting internal audit reports forward for discussion at the committee or any other relevant items. Items for the agenda are requested a few weeks prior to the committee meeting.
	Does the CAE have direct and unrestricted access to senior management and the board?	✓			The CAE has direct and unrestricted access to senior management and the board as detailed within the 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?	✓			The CAE communicates regularly with the chief executive/ senior management. The CAE communicates with the chair of the audit committee prior to meetings and when necessary. This is detailed within the audit charter.
	Are threats to objectivity identified and managed at the following levels:	✓			
	a) Individual auditor?				Internal auditors ensure that the chief audit executive is aware of any potential threats to objectivity so that this



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	<p>b) Engagement?</p> <p>c) Functional?</p> <p>d) Organisation?</p>				<p>can be taken into account when allocating audit work. However, details are not specifically recorded.</p> <p>The internal audit activity has no responsibilities that would impact on objectivity of the engagements carried out.</p> <p>Internal Audit are a standalone function so that there are no threats to objectivity.</p> <p>As above.</p>
	<i>1110 Organisational Independence</i>				
	Does the CAE report to an organisational level equal or higher to the corporate management team?	✓			The CAE reports to senior management.
<b>LGAN</b>	Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?	✓			As above. The senior management support the internal audit activity in order to allow it to fulfil its responsibilities.
<b>LGAN</b>	<p>Have reporting and management arrangements been put in place that preserve 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>	✓			The CAE independence and objectivity is preserved by being a standalone unit reporting directly to senior management with the option of reporting straight to chairman of the overview committee (L&GP).
<b>LGAN</b>	Does the CAE's position in the management structure:	✓			

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	<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>				<p>The CAE in her position is able to influence the control environment.</p> <p>The audit plans and reports are directly communicated to senior management and the board.</p> <p>The CAE's position is senior and independent enough to constructively challenge senior management.</p>
	<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>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>See below</p> <p>The internal audit charter is required to go through board in order for its final approval.</p> <p>The risk-based audit plan is communicated to the board prior to the financial year commencing, for them to approve.</p> <p>Budgets, including any additional resources required, are approved by the board as part of the overall budget process.</p>
	<p>d) receives communications from the CAE on the activity's</p>	<p>✓</p>			<p>Quarterly a report is presented to the board to communicate the perfor-</p>

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	performance (in relation to the plan, for example)				mance against the plan. In 2017, a review back on the previous years audit plan will be carried out to show the board changes made to the plan and the reason for the changes.
	e) approves decisions relating to the appointment and removal of the CAE			✓	Appointment or removal of the CAE has not occurred. However, the board would not normally approve the appointment of the CAE this is only done for heads of service.
	f) seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.			✓	Board do not seek reassurance as to whether there are any inappropriate scope of resource limitation.
	Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?	✓			The performance appraisal of the CAE is undertaken/ reviewed by senior management.
	Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?		✓		Feedback is not specifically sought form the chair of the audit committee for the CAE's performance appraisal. However, if the chair had any concerns these could be raised with the CFO.
	<i>1111 Direct Interaction with the Board</i>				
	Does the CAE communicate and interact directly with the board?	✓			The CAE does communicate and interacts directly with the board, mainly the chairman of the board.
	<i>1120 Individual Objectivity</i>				

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	Do internal auditors have an impartial, unbiased attitude?	✓			Internal auditors have an impartial and unbiased attitude. This is reviewed at appraisals, 1 to 1 meetings and as part of the recruitment and selection process.
	Do internal auditors avoid any conflict of interest, whether apparent or actual?	✓			Internal auditors declare any conflicts of interest so that these are avoided where possible. For example, family members are declared and auditors are aware that they are not able to carry out audit work within the same area that the family member works to ensure no conflict of interest. Furthermore, CAE ensures that work is not assigned to them for that area.
	<i>1130 Impairment to Independence or Objectivity</i>				
	If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties (depending on the nature of the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)?	N/A			There has been no impairment of independence or objectivity. However, if independence or objectivity is impaired then this would be disclosed to the appropriate parties.
	Have internal auditors assessed specific operations for which they have been responsible within the previous year?	✓			Audit does not have responsibility for other areas within the organisation. If internal auditors have been responsible for specific operations then they would not be assigned the audit work in this area for at least 2 years.
	If there have been any assurance engagements in areas over which	✓			Audit does not have responsibility for

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	the CAE also has operational responsibility, have these engagements been overseen by someone outside of the internal audit activity?				other areas within the organisation.
<b>LGAN</b>	Are assignments for ongoing assurance engagements and other audit responsibilities rotated periodically within the internal audit team?	✓			The internal audit team is small however audits are periodically rotated with the internal auditor and the contractor.
<b>LGAN</b>	Have internal auditors declared interests in accordance with organisational requirements?	✓			Any interests are declared in accordance with the organisational requirements.
<b>LGAN</b>	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?	✓			Any gifts & hospitality accepted or offered is declared in accordance with the organisation's gifts and hospitality policy.
<b>LGAN</b>	Have any instances been discovered where an internal auditor has used information obtained during the course of duties for personal gain?	N/A			No instances have been discovered of internal auditors using information obtained during the course of duties for personal gain.
<b>LGAN</b>	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?	✓			Internal auditors disclose all material facts in line with the code of ethics for the organisation and the relevant bodies that they are members to.
<b>LGAN</b>	Have internal auditors complied with the Bribery Act 2010?	✓			Internal auditors comply with the Bribery Act 2010 as documented within the organisations anti-fraud, bribery and corruption policy.
	If there has been any real or apparent impairment of independence or	N/A			If an impairment of independence or objectivity either real or apparent then

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	objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted?				this would be disclosed to the client before the engagement accepted.
	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?	✓			Significant consulting services have not been carried out by internal audit. However, should this be required and not already included within the audit plan approval would be sought from senior management and the board.
<b>3.3</b>	<b>1200 Proficiency and Due Professional Care</b>				
	<i>1210 Proficiency</i>				
	Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	✓			FMAAT and CIPD
	Is the CAE suitably experienced?	✓			The CAE has over 15 years' experience in the role.
<b>LGAN</b>	Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	✓			The CAE is responsible for recruiting appropriate internal audit staff and would be part of the recruitment process in line with the organisations HR processes.
<b>LGAN</b>	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?	✓			Up to date job descriptions are held detailing the roles and responsibilities, and person specifications.

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	Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	✓			The internal audit activity has the skills, knowledge and competencies required where IT skills are required this is bought in. One auditor has CIA, PIIA and ACCA. The CAE has FMAAT and CIPD.
	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?	✓			IT audits are required to be carried out annually as part of the audit plan. The in house auditors do not have the skills or competencies needed to carry out the IT audits therefore an external IT auditor is contracted to carry out the work. If further skills are required in other areas then auditors with the necessary skills would be sought.
	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	✓			Internal auditors have sufficient knowledge to evaluate the risk of fraud. A Hampshire fraud group is attended to share/ identify knowledge of new emerging fraud risks and current frauds being investigated. The Corporate Investigation officers are specifically trained for evaluating the risk of fraud. The Council is also part of the National Anti-Fraud Network (NAFN).
	Do internal auditors have sufficient knowledge of key information technology risks and controls?	✓			Internal auditors have knowledge of key information technology risks and controls and work closely with the Head of IT and Facilitates and the IT Technical Services Manager. External IT audit resources are available when

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					required.
	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 auditors have sufficient knowledge of the computer-assisted audit techniques available to them and data analysis techniques. Although specific CAT programmes are not used within the organisation.
	<i>1220 Due Professional Care</i>				
	<p>Do internal auditors exercise due professional care by considering the:</p> <p>a) Extent of work needed to achieve the engagement's objectives?</p> <p>b) Relative complexity, materiality or significance of matters to which assurance procedures are applied?</p> <p>c) Adequacy and effectiveness of governance, risk management and control processes?</p> <p>d) Probability of significant errors, fraud, or non-compliance?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>The work needed to achieve the engagement objectives is considered at the planning stage of the engagement by detailing the testing required.</p> <p>Internal auditors take into account the complexity, materiality and the significance of matters when applying assurance procedures and reporting on these.</p> <p>The risks associated with the engagement and the controls in place are considered when planning the engagement. They are documented and testing carried out on the controls in place.</p> <p>Probability of significant errors, fraud or non-compliance is evaluated at the</p>



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	e) Cost of assurance in relation to potential benefits?	✓			<p>planning stage and during testing. Where necessary the probability would be considered when suggesting any control weaknesses to improve on.</p> <p>The cost/ resource time required to provide a level of assurance is evaluated at the planning stage, against the benefit to the organisation of providing that level of assurance.</p>
	<p>Do internal auditors exercise due professional care during a consulting engagement by considering the:</p> <p>a) Needs and expectations of clients, including the nature, timing and communication of engagement results?</p> <p>b) Relative complexity and extent of work needed to achieve the engagement's objectives?</p> <p>c) Cost of the consulting engagement in relation to potential benefits?</p>	<p>✓</p> <p>✓</p> <p>✓</p>			<p>The needs and expectations of the client are taken into account at the start of a consulting engagement and are discussed with the client.</p> <p>The complexity is establish and it is determined if the audit activity has the necessary skills to achieve the consulting engagement objectives.</p> <p>The cost vs benefits is considered prior to taking on the consulting engagement to ensure efficient use of audit activity resources.</p>
	<i>1230 Continuing Professional Development</i>				

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<b>LGAN</b>	Has the CAE defined the skills and competencies for each level of auditor?	✓			The skills and competencies for each level of auditor is defined.
<b>LGAN</b>	Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	✓			The CAE periodically assesses individual auditors' skills and competencies as part of monthly 1 to 1 meetings and annual appraisals.
	Do internal auditors undertake a programme of continuing professional development?	✓			Internal auditors carry out continued professional development in line with the requirements of the qualifications that they hold. Any knowledge, skills or other competencies they feel could be enhanced is discussed as part of the appraisal process carried out annually or at 1 to 1 monthly meetings.
	Do internal auditors maintain a record of their professional development and training activities?	✓			Internal auditors record their professional development and training activities in order to meet the requirements of their qualifications.
<b>3.4</b>	<b>1300 Quality Assurance and Improvement Programme</b>				
	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?	✓			Contract auditor files are reviewed and details of these recorded to ensure quality. However, due to resource constraints the in house auditors files are currently not reviewed by the CAE. However fortnightly 1 to 1 meetings are carried out to review work/ progress. This also applies to the Corporate Investigations Team. Non-compliance or partial compliance

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					to PSIAS is reported to the board along with actions to take in order to move towards full compliance.
	Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?	✓			The QAIP does identify opportunities for improvement not only towards the PSIAS but also to meet the needs of the organisation by providing an effective internal audit activity. Currently the internal audit activity is having a systems thinking review carried out in order to identify areas for improvement.
	Does the CAE maintain the QAIP?	✓			Annually the QAIP is reviewed when providing an overview to the board on progress towards actions within the QAIP.
<b>LGAN</b>	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)?	✓			A review of the effectiveness of internal audit is carried out annually in accordance with Accounts and Audit (England) Regulations 2015 section 5 and 6. An annual governance statement is also prepared and communicated to the board for review along with an annual statement of the effectiveness of the organisations risk management, control and governance processes.
	<i>1310 Requirements of the Quality Assurance and Improvement Programme</i>				

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	Does the QAIP include both internal and external assessments?		✓		An external assessment has not yet been carried out since the introduction of PSIAS. However, work is currently underway to complete the external assessment as a group with the Hampshire Audit Managers. This is due to be completed within 2017/18.
	<i>1311 Internal Assessments</i>				
<b>LGAN</b>	Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	✓			As part of the annual audit plan produced, the work is assigned to specific auditors with the appropriate skills, experience and competencies.
	Do internal assessments include ongoing monitoring of the internal audit activity, such as:				
	a) Routine quality monitoring processes?	✓			Monitoring of the performance of the internal audit activity is carried out through reviews of work undertaken and this is communicated to senior management and the board for review & scrutiny.
	b) Periodic assessments for evaluating conformance with the PSIAS?	✓			Conformance with PSIAS is assessed annually as part of the audit opinion.
<b>LGAN</b>	Does ongoing performance monitoring include comprehensive performance targets?	✓			Internal auditors are required to fulfil the requirements of the annual audit plan and ensure that audits are carried out within an appropriate timeframe set with the auditee.

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LGAN	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	✓			Performance targets are developed in consultation with the auditee prior to the audit commencing. The annual audit plan is agreed with the board and senior management.
LGAN	Does the CAE measure, monitor and report on progress against these targets?	✓			The targets are reviewed in monthly 1 to 1 meetings. Progress towards the targets are reported to senior management and the board.
LGAN	Does ongoing performance monitoring include obtaining stakeholder feedback?	✓			Verbal feedback is obtained from stakeholders on the audits carried out. The board feedback on the performance towards the audit plan at committee meetings.
	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.	✓			The CAE carries out the self-assessment. She has sufficient knowledge of the internal audit practices with the Council.
LGAN	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	✓			A review of the activity against the risk-based plan is carried out as part of the assessment.
	<i>1312 External Assessments</i>				
	Has an external assessment been carried out, or is planned to be carried out, at least once every five years?	✓			Work is currently underway with the Hampshire Audit group in order to carry out an external assessment as

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					part of the group. This will be completed in 2017/18.
<b>LGAN</b>	Has the CAE considered the pros and cons for the different types of external assessment (ie 'full' or self-assessment plus 'independent validation')?	✓			The different types of external assessments have been considered and it is thought that a reciprocal arrangement with other Hampshire Council's would be the most relevant.
	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?			✓	The proposed form of the external assessment has not yet been discussed with the board. However, this will be communicated to the board in 2017.
<b>LGAN</b>	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?			✓	The scope of the external assessment has not yet been agreed with an appropriate sponsor.
	Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?	✓			The scope of the external assessment has been agreed as part of the Hampshire Audit Group.
	<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"> <li>a) experience gained in organisations of similar size</li> <li>b) complexity</li> <li>c) sector (ie the public sector)</li> <li>d) industry (ie local government), and</li> <li>e) technical experience.</li> </ul>	✓			The assessment team comprise of Internal Audit Managers and Heads of Internal Audit with relevant experience in local government public sector.

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	Note that if an assessment team is used, competence needs to be demonstrated across the team and not for each individual member.				
	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?	✓			The assessment team are Audit Managers/ Heads of Audit with sufficient qualifications, skills, knowledge and competencies to carry out the external assessment The competencies have been demonstrated through meetings, discussions and work carried out as part of the group.
	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.	✓			No real or apparent conflicts of interest are apparent RBC internal audit does not belong to any of the other Hampshire authorities.
	<i>1320 Reporting on the Quality Assurance and Improvement Programme</i>				
	<p>Has the CAE reported the results of the QAIP to senior management and the board?</p> <p>Note that:</p> <p>a) the results of both external and periodic internal assessment must be communicated upon completion</p>			✓	<p>The QAIP has not yet been reported to senior management or the board but will be in 2017.</p> <p>The internal assessment will be communicated to senior management and the board annually when completed. The results of the external assessment will be communicated to the board and senior management once completed in 2017/18.</p>

Ref	Conformance with the Standard	Y	P	N	Evidence
	<p>b) the results of ongoing monitoring must be communicated at least annually</p> <p>c) the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.</p>				<p>Ongoing monitoring will be communicated annually to senior management and the board.</p> <p>The evaluation to the degree of conformance with the PSIAS is reported to senior management and the board along with details as to the requirement needed in order to fully conform with the PSIAS.</p>
	<p>Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?</p>			✓	<p>The QAIP and progress will be communicated in the annual report to senior management and the board in 2017.</p>
	<p><i>1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'</i></p>				
	<p>Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?</p>		✓		<p>The internal audit activity does conform to the old CIPFA standards and is currently working on full conformance with PSIAS.</p>
	<p><i>1322 Disclosure of Non-conformance</i></p>				
	<p>Has the CAE reported any instances of non-conformance with the PSIAS to the board?</p>		✓		<p>There are some elements of non-conformance this has been communicated to senior management but has not yet been communicated to the board. However, this will be carried out this financial year along with an improvement programme.</p>



Ref	Conformance with the Standard	Y	P	N	Evidence
	Has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?		✓		Work is currently underway to ensure conformance however this has not been included within the current governance statement but will be considered for the next financial year. The internal audit activity does conform to the old CIPFA standards and is currently working on conformance with PSIAS.
4	<b>Performance Standards</b>				
	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?	✓			The results of the internal audit activity's work does achieve the purpose and responsibility of the activity as stated within the audit charter.
	Does the internal audit activity conform with the <i>Definition of Internal Auditing</i> and the <i>Standards</i> ?		✓		The internal audit activity is currently being reviewed against the definition of internal auditing and the standards. Some non-conformance has been identified and will have been communicated to senior management and will be communicated to the board. Work will also be undertaken to ensure the internal audit activity conforms to PSIAS.
	Do individual internal auditors, who are part of the internal audit activity, demonstrate conformance with the <i>Code of Ethics</i> and the <i>Standards</i> ?	✓			Individuals within the internal audit activity demonstrate conformance with the Code of Ethics and majority of the Standards are also conformed

Ref	Conformance with the Standard	Y	P	N	Evidence
					with however work is being undertaken to ensure full compliance.
	<p>Does the internal audit activity add value to the organisation and its stakeholders by</p> <p>a) Providing objective and relevant assurance?</p> <p>b) Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes?</p>	<p>✓</p> <p>✓</p>			<p>The internal audit activity provides stakeholders and the organisation with objective and relevant assurance and contributes to the effectiveness and efficiency of governance, risk management and control process based on the audits carried out in line with the audit plan and recommendations made to improve processes. The audit plan is developed based on the risks and requirements specific to the organisation. An annual assurance opinion is also provided to senior management and the board.</p> <p>As above.</p>
	<i>2010 Planning</i>				
	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?	✓			A risk universe sets out the auditable activities within the Council. This is updated as required/ when changes occur. The audit plan is developed based on the risk score determined within the risk universe which includes a criteria to consider the organisa-

Ref	Conformance with the Standard	Y	P	N	Evidence
					tional goals/ requirements.
	Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?	✓			The annual audit plan ensures adequate cover of key financial systems and key risk areas, to ensure an appropriate audit opinion can be made. The plan also sets aside time for when the opinion is required to be reported to the board.
	Does the risk-based plan take into account the organisation's assurance framework?	✓			The risk management group have recently reformed. The assurance framework has not been maintained over the years but will be as part of this group. The risk-based plan 17/18 will look to take into account the organisations assurance framework.
	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?  b) How the internal audit service will be developed in accordance with the internal audit charter?  c) How the internal audit service links to organisational objectives and priorities?	✓  ✓  ✓			The internal audit charter defines how the internal audit service will be delivered. However, the internal audit charter requires updating.  As above  The organisational objectives and priorities are linked to the audit plan and considered as one of the risk criteria.
	Does the risk-based plan set out how internal audit's work will identify	✓			Local and national issues and risks

Ref	Conformance with the Standard	Y	P	N	Evidence
	and address local and national issues and risks?				are discussed at the Hampshire Audit Managers group quarterly. Furthermore, the CAE ensures that any issues or risks within the organisations are communicated so that if necessary these can be included within the annual audit plan for further review.
	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?	✓			A risk universe sets out the auditable activities within the Council and gives the activity a risk score. This is reviewed annually with ad hoc changes being made when they are required. An internal control evaluation is carried out for each engagement to show the risks. A risk management group has recently been established and internal audit will be part of this group so that any high-risk areas can be highlighted for inclusion within the annual audit plan.
	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?	✓			As above.
<b>LGAN</b>	Does the risk-based plan set out the:  a) Audit work to be carried out?  b) Respective priorities of those pieces of audit work?	✓  ✓			The risk-based plan details the audit work, which is required to be completed.  The priority for carry out the work is determined based on the ranking with

Ref	Conformance with the Standard	Y	P	N	Evidence
	c) Estimated resources needed for the work?	✓			<p>the risk universe which is based on specific criteria in order to prioritise higher risk areas for the organisation.</p> <p>The resources needed to carry out the work is determined within the risk-based plan. Therefore, highlighting if further resources are required.</p>
<b>LGAN</b>	Does the risk-based plan differentiate between audit and other types of work?	✓			The risk based plan does differentiate between audits and other types of work based on the description given in the plan.
<b>LGAN</b>	Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	✓			The risk-based plan is set quarterly to allow for greater flexibility to allow for any changing risks and priorities of the organisation. Lower priority audits are identified so that if necessary these can be deferred in order to allow higher priority work to be carried out.
	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?	✓			The CAE regular reviews the plan and updates it to show progress. If additional audit work is required then this is adjusted to be shown within the plan and is reported to L&GP committee at one of the quarterly update meetings.
	Is the internal audit activity's plan of engagements based on a documented risk assessment?	✓			A risk universe sets out the auditable activities within the Council and gives the activity a risk score. An internal control evaluation is carried out for

Ref	Conformance with the Standard	Y	P	N	Evidence
					each engagement to show the risks.
	Is the risk assessment used to develop the plan of engagements undertaken at least annually?	✓			The risk universe is reviewed annually and changes made where required.
<b>LGAN</b>	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, eg IT or contract and procurement auditors?  c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary?	✓  ✓  ✓			Any declarations of interest are taken into account when allocating work.  When developing the risk-based plan consideration is given to the need for specialists in order to help provide the assurance necessary.  Contingency is allocated into the plan to allow for ad hoc work. However, with the plan being set quarterly changes can be made to the plan and the work can rollover onto the next quarter.
	d) The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CAE opinion?	✓			Time for developing the audit plan and reporting to the board are factored into the audit plan at relevant times within the year. A table of the reporting times and what will be reported was provided to the Board and Senior Management.
	Is the input of senior management and the board considered in the risk assessment process?	✓			Senior management and the board input into the risk assessment process is considered.

Ref	Conformance with the Standard	Y	P	N	Evidence
	Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	✓			The CAE identifies and considers the expectations of senior management, the board and stakeholders for audit opinions and other conclusions by consulting with senior management on the plan and reporting of the plan to the board.
	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?	✓			Consultancy engagements are considered based on the potential level of improvement of risks, added value and improvement to the organisations operations.
	Are consulting engagements that have been accepted included in the risk-based plan?	✓			When consultancy engagements are accepted these are included on the audit plan.
	<i>2020 Communication and Approval</i>				
	Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	✓			The audit plan is discussed with relevant Heads of Service and the plan is agreed by Senior Management and the board annually prior to the start of the financial year.
	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?	✓			Any significant changes to the plan are approved by senior management. The board do not specifically approve the changes. However, the changes are communicated to them as part of the quarterly review.
	Has the CAE communicated the impact of any resource limitations to	✓			Resource limitations are discussed

Ref	Conformance with the Standard	Y	P	N	Evidence
	senior management and the board?				with Senior Management and additional resources agreed in order to achieve the plan of work required to provide appropriate assurance of controls and risks. This is then communicated to the board in the form of the annual audit plan.
	<i>2030 Resource Management</i>				
	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	✓			The plan details how the resource requirements have been determined by detailing the number of days required to achieve the plan.
<b>LGAN</b>	Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise abortive work and time?	✓			The timing of work is determined in conjunction with management to ensure that where possible the audit is carried out is the most effective time of the year which ensures that management can provide sufficient time to the audit.
<b>LGAN</b>	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.	✓			The level of resources required are determined when developing the annual audit plan. If further resources are required in order to ensure that audit plan is fulfilled then this is highlighted to senior management and board as to the number of days required by contractors. If additional resources are not able to be brought in then the consequences are brought to the attention of senior management



Ref	Conformance with the Standard	Y	P	N	Evidence
					and the board.
	<i>2040 Policies and Procedures</i>				
	Has the CAE developed and put into place policies and procedures to guide the internal audit activity?		✓		Policies and procedures are in place to guide the internal audit activity however these are old and in need of updating to reflect improvements made over the years.
<b>LGAN</b>	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.		✓		As above
<b>LGAN</b>	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?			✓	Due to resources, the policies and procedures are not regularly re-viewed. There are currently old and in need of updating.
	<i>2050 Coordination</i>				
	Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?	✓			Activities are co-ordinated with the Systems thinking team, and corporate investigations officers to ensure that duplication of efforts is minimised. Information is also shared with external auditors so that they can review files and place reliance on our work. Where possible the internal audit activity is co-ordinated with the external auditors so that detailed walk through are carried out by them the year that

Ref	Conformance with the Standard	Y	P	N	Evidence
					internal audit are not scheduled to carry out an audit. Consideration is also given to if any other areas could be a source of assurance in which reliance could be placed.
<b>LGAN</b>	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	✓			An assurance mapping exercise has been carried out with the Hampshire Audit Managers group.
	Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?	✓			The CAE shares information with other internal and external providers of assurance when required.
<b>LGAN</b>	Does the CAE meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans?	✓			The CAE meets annually with the external audit representative in order to coordinate audit plans.
	<i>2060 Reporting to Senior Management and the Board</i>				
	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?	✓			Performance against the audit plan is communicated to senior management and the board at quarterly meetings. The other areas are reported periodically to senior management and the board when the internal audit charter requires updating.
	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?	✓			The periodic reports highlight any significant risk exposures and control issues, identified as part of the internal audit activity.

Ref	Conformance with the Standard	Y	P	N	Evidence
	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?	✓			Senior management and the board discuss the content of the periodical reports. The frequency of the reports are predetermined. However, if further reports were required to be made to senior management and the board then this can be arranged.
	<i>2070 External Service Provider and Organisational Responsibility for Internal Auditing</i>				
	Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation?	✓			An external audit provider does not serve as the entire internal audit activity. However, external contractors are used for some audits but it is clear that it is the responsibility of RBC to maintain an effective internal audit activity.
	Does the internal audit activity evaluate and contribute to the improvement of the organisation's governance, risk management and internal control processes?	✓			Way forwards are discussed and agreed with in the auditee in order to contribute to the improvement of governance, risk management and control processes for every audit activity carried out. This is then followed up at a later stage to ensure action has been taken.
	Does the internal audit activity evaluate and contribute to the improvement of the above using a systematic and disciplined approach and is this evidenced?	✓			The internal audit activity does evaluate and contribute to the above using a systematic approach evidenced within the audit findings, working pa-

Ref	Conformance with the Standard	Y	P	N	Evidence
					pers, internal control evaluation and reports.
	<i>2110 Governance</i>				
	<p>Does the internal audit activity:</p> <p>a) Promote appropriate ethics and values within the organisation?</p> <p>b) Ensure effective organisational performance management and accountability?</p> <p>c) Communicate risk and control information to appropriate areas of the organisation?</p> <p>d) Coordinate the activities of and communicate information among the board, external and internal auditors and management?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>Ethics and values are considered when reviewing areas and any weaknesses identified are looked to be addressed within the way forward to ensure that appropriate ethics and values are promoted. Furthermore, ethics and values are promoted within the governance policies within the Council.</p> <p>Organisational performance management and accountability are considered when carrying out audit activities.</p> <p>The internal audit activity communicates risk and control information to areas, which are audited, as well as being part of the risk management group where this is further communicated. When new systems or processes are implemented then internal audit activity communicate risk and control information to the project.</p> <p>Where possible activities are coordinated.</p>

Ref	Conformance with the Standard	Y	P	N	Evidence
	Does the internal audit activity assess and make appropriate recommendations for improving the governance process as part of accomplishing the above objectives?	✓			Appropriate recommendations are made within audit reports and improvements for the governance process form part of the annual governance statement.
	Has the internal audit activity evaluated the:				
	a) design			✓	The internal audit activity has not evaluated the organisation's ethics-related objectives, programmes and activities. This will be added to the audit plan in the future.
	b) implementation, and			✓	As above.
	c) effectiveness			✓	As above.
	of the organisation's ethics-related objectives, programmes and activities?				
	Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	✓			Two IT audits are carried out annually by an external IT audit contractor.
<b>LGAN</b>	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?		✓		The proportionality of work required to assess IT governance has been considered and included within the risk based plan. However, ethics has not previously been considered.
	<i>2120 Risk Management</i>				

Ref	Conformance with the Standard	Y	P	N	Evidence
	<p>Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that:</p> <p>a) Organisational objectives support and align with the organisation's mission?</p> <p>b) Significant risks are identified and assessed?</p> <p>c) Appropriate risk responses are selected that align risks with the organisation's risk appetite?</p> <p>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?</p>			<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>The organisation's risk management processes have not been reviewed by the internal audit activity. Internal audit are now part of the risk management group for the organisation and consideration will be given if further work is required to evaluate the effectiveness of the risk management process.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p>
	<p>Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the:</p> <p>a) Achievement of the organisation's strategic objectives?</p>	<p>✓</p>			<p>The CAE evaluates the risk exposures relating to the organisations governance, operations and information systems as part of the audit plan process. These areas are also further reviewed as part of the individual audits carried out.</p>

Ref	Conformance with the Standard	Y	P	N	Evidence
	b) Reliability and integrity of financial and operational information?	✓			The reliability and integrity of financial and operational information is reviewed and evaluated within audits carried out.
	c) Effectiveness and efficiency of operations and programmes?	✓			The effectiveness and efficiency of operations and programmes is reviewed and evaluated within audits carried out.
	d) Safeguarding of assets?	✓			The safeguarding of assets, physical and virtual, are reviewed and evaluated as part of audits carried out.
	e) Compliance with laws, regulations, policies, procedures and contracts?	✓			Compliance with relevant laws, regulations, policies, procedures and contracts are reviewed and evaluated as part of audits carried out.
	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	✓			Potential fraud risk and controls in place to mitigate this are evaluate for each engagement carried out. Recently the Corporate Investigations Officers have been appointed to carry out reviews of potential high fraud risk areas. A specific area for fraud is detailed within the audit plan.
	Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	✓			An internal control evaluation is carried out for each engagement in order to identify potential risks.
	Are internal auditors alert to other significant risks when undertaking consulting engagements?	✓			During engagements internal auditors are aware of other significant risks.

Ref	Conformance with the Standard	Y	P	N	Evidence
	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?	✓			Internal auditors refrain from assuming management responsibility for improving risk management processes by involving management in the process for agreeing a way forward for which they are assigned the responsibility to get it in place.
	<i>2130 Control</i>				
	<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> <p>a) Achievement of the organisation's strategic objectives?</p> <p>b) Reliability and integrity of financial and operational information?</p> <p>c) Effectiveness and efficiency of operations and programmes?</p> <p>d) Safeguarding of assets?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>The adequacy and effectiveness of controls in response to the organisations risk exposure to its strategic objectives is evaluated within the individual audits carried out. The audits carried out are based on a review of organisational risk exposures.</p> <p>The reliability and integrity of financial and operational information is reviewed and controls evaluated within audits carried out.</p> <p>The effectiveness and efficiency of operations and programmes is reviewed and controls evaluated within audits carried out.</p> <p>The safeguarding of assets, physical and virtual, are reviewed and controls</p>



Ref	Conformance with the Standard	Y	P	N	Evidence
	e) Compliance with laws, regulations, policies, procedures and contracts?	✓			evaluated as part of audits carried out.  Compliance with relevant laws, regulations, policies, procedures and contracts are reviewed and controls evaluated as part of audits carried out.
	Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	✓			Knowledge from all controls gained from consulting engagements are incorporated within the evaluation of the organisations control processes.
<b>4.3</b>	<b>2200 Engagement Planning</b>				
	Do internal auditors develop and document a plan for each engagement?	✓			An audit brief is developed for each audit engagement and signed off by the relevant Head of Service/ Auditee.
	Does the engagement plan include the engagement's:				
	a) Objectives?	✓			Each engagement plan has an audit brief which details the objectives, scope, when the audit will commence and end, and who is carrying out the audit. The project schedule held on file details the timing when certain key stages are due to be completed by.
	b) Scope?	✓			As above.
	c) Timing?	✓			As above.
	d) Resource allocations?	✓			As above.

Ref	Conformance with the Standard	Y	P	N	Evidence
	<p>Do internal auditors consider the following in planning an engagement, and is this documented:</p> <p>a) The objectives of the activity being reviewed?</p> <p>b) The means by which the activity controls its performance?</p> <p>c) The significant risks to the activity being audited?</p> <p>d) The activity's resources?</p> <p>e) The activity's operations?</p> <p>f) The means by which the potential impact of risk is kept to an acceptable level?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>The objectives of the activity being reviewed are considered and documented within the audit brief and final report.</p> <p>Controls are considered and documented as part of the internal control evaluation sheet completed, throughout testing and within the final report.</p> <p>The risks are considered as part of the internal control evaluation sheet and feed into the testing carried out. Significant risks not adequately controlled are highlighted within the final report.</p> <p>The resources considered when considering cost vs benefit for control tests carried out.</p> <p>The operations of the activity is considered within the audit brief detailing the scope of work and the tests carried out.</p> <p>The means by which potential impact of risk is mitigated is detailed and considered within the internal control evaluation sheet and the tests carried out.</p>

Ref	Conformance with the Standard	Y	P	N	Evidence
	<p>g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?</p> <p>h) The opportunities for making significant improvements to the activity's governance, risk management and control processes?</p>	<p>✓</p> <p>✓</p>			<p>The adequacy and effectiveness of the activity's governance, risk management and control processes is reviewed once testing has been completed and reported on within the final report.</p> <p>The opportunity for making significant improvements to processes is considered throughout testing and reported within the final report.</p>
	<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> <p>a) Objectives?</p> <p>b) Scope?</p>	<p>N/A</p> <p>N/A</p>			<p>Engagements are not carried out for parties outside the organisation.</p> <p>As above.</p>
	<p>c) The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)?</p>	<p>N/A</p>			<p>As above.</p>
	<p>For consulting engagements, have internal auditors established an understanding with the engagement clients about the following:</p> <p>a) Objectives?</p>	<p>✓</p>			<p>The objectives, scope and client expectation would be discussed at the opening meeting with the client. The details would also be recorded in the</p>

Ref	Conformance with the Standard	Y	P	N	Evidence
	b) Scope?	✓			audit brief or project scope. As above.
	c) The respective responsibilities of the internal auditors and the client and other client expectations?	✓			As above.
	For significant consulting engagements, has this understanding been documented?	✓			An audit brief or project scope would be developed and documented.
	<i>2210 Engagement Objectives</i>				
	Have objectives been agreed for each engagement?	✓			The objectives for each engagement is established within the audit brief and agreed with the auditee prior to the engagement commencing.
	Have internal auditors carried out a preliminary risk assessment of the activity under review?	✓			An Internal Control Evaluation is carried out for each engagement prior to the engagement commencing. This helps to focus on key potential risk areas within the activity being reviewed.
	Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	✓			The assessments carried out help to form the objectives of the engagement.
	Have internal auditors considered the probability of the following, when developing the engagement objectives:				All of these elements are considered as part of the planning stage of the audit and with some discussion with the auditee.

Ref	Conformance with the Standard	Y	P	N	Evidence
	a) Significant errors?	✓			Significant errors are considered within the internal control evaluation sheet which feeds into the testing.
	b) Fraud?	✓			Fraud is considered within the internal control evaluation sheet and throughout testing.
	c) Non-compliance?	✓			Non-compliance is considered within the internal control evaluation sheet and throughout testing.
	d) Any other risks?	✓			All other risks are considered within the internal control evaluation sheet.
	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?	✓			Reports to the Board are done to demonstrate if objectives and goals have been accomplished.
	If the criteria have been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?	✓			Objective criteria is used within the audit brief and reports to evaluate the 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?	✓			Internal auditors work with management to establish a way forward to address any inadequacies and schedule in follow ups to ensure action is taken.
<b>LGAN</b>	If the value for money criteria have been referred to, has the use of all the organisation's main types of resources been considered; including money, people and assets?	✓			When taking into account value for money all main type of resources are considered.

Ref	Conformance with the Standard	Y	P	N	Evidence
	Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	✓			Objectives of the consulting engagements address governance, risk management and control processes as detailed within the audit brief.
	Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	✓			All engagements fit with the Council's 8 point plan and are discussed with Senior Management.
	<i>2220 Engagement Scope</i>				
	Is the scope that is established for the engagement sufficient to satisfy the engagement's objectives?	✓			The scope is determined by the internal auditor to ensure that it will satisfy the objectives of the audit. Internal auditors are sufficiently experienced to adequately determine the scope which will sufficiently satisfy the audit objectives. This is reviewed with the auditee prior to the audit commencing.
	Does the engagement scope include consideration of the following relevant areas of the organisation:				All of these areas are considered as part of the development of the audit brief, which details the scope, Internal Control Evaluation and the test list.
	a) Systems?	✓			As above.
	b) Records?	✓			As above.
	c) Personnel?	✓			As above.
	d) Premises?	✓			As above.

Ref	Conformance with the Standard	Y	P	N	Evidence
	Does the engagement scope include consideration of the following relevant areas under the control of outside parties, where appropriate:  a) Systems?  b) Records?  c) Personnel?  d) Premises?	✓  ✓  ✓  ✓			All of these areas are considered as part of the development of the audit brief, which details the scope, Internal Control Evaluation and the test list.  As above.  As above.  As above.  As above.
	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?	✓			A written understanding of the objectives, scope and responsibilities is carried out. This is documented within an audit brief and communicated with the relevant Head of Service.
	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?	✓			As above.
	For a consulting engagement, was the scope of the engagement sufficient to address any agreed-upon objectives?	✓			The scope of the consulting engagement is linked to the agreed objectives. However, the scope is not always formally documented.
	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	✓			If reservations about the scope during the engagement are established then the internal auditor will discuss this with the client and potentially senior

Ref	Conformance with the Standard	Y	P	N	Evidence
	whether or not to continue with the engagement?				management. Details would be recorded within the file.
	During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	✓			Controls are reviewed in line with the test list developed at the planning stage and auditors are alert to any significant control issues.
	During consulting engagements, were internal auditors alert to any significant control issues?	✓			Internal auditors are alert to any significant control issues which would be highlighted if necessary.
	<i>2230 Engagement Resource Allocation</i>				
	Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of the engagement based on:				Resources requirements are determined during the annual audit plan to ensure that they are sufficient. If further resources are identified as being required while carrying out the engagement then this is discussed with the CAE.
	a) The nature and complexity of each individual engagement?	✓			As above.
	b) Any time constraints?	✓			As above.
	c) The resources available?	✓			As above.
	<i>2240 Engagement Work Programme</i>				



Ref	Conformance with the Standard	Y	P	N	Evidence
	Have internal auditors developed and documented work programmes that achieve the engagement objectives?	✓			As part of the planning stage a test list is developed which links to the scope and objectives of the audit activity to ensure the engagement objectives are achieved.
	<p>Do the engagement work programmes include the following procedures for:</p> <p>a) Identifying information?</p> <p>b) Analysing information?</p> <p>c) Evaluating information?</p> <p>d) Documenting information?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>The test list details what is required for the test and the test findings sheets detail what work was carried out for example where information was obtained from, how the information was evaluated. All details of findings are also documented within the test findings sheet.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p>
	Were work programmes approved prior to implementation for each engagement?	✓			The overall work programme is agreed by senior management and the board prior to its implementation. Due to the team being small the detail for the individual work programmes is only approved by the auditee in terms of the scope of work and timings for the work to be completed. The CAE does not review the detail of all tests being carried out by the auditor. How-

Ref	Conformance with the Standard	Y	P	N	Evidence
					ever the auditor is experienced to make these judgements. Contractors work programmes are reviewed prior to implementation to ensure that the areas required by the Council are covered.
	Were any adjustments required to work programmes approved promptly?	✓			Any adjustments to work programmes are promptly approved where necessary.
	<p>Have internal auditors carried out the following in order to achieve each engagement's objectives:</p> <p>a) Identify sufficient information?</p> <p>b) Analyse sufficient information?</p> <p>c) Evaluate sufficient information?</p>	<p>✓</p> <p>✓</p> <p>✓</p>			<p>All information is documented within the test findings sheet relevant to the test shown on the test list. Sufficient information is obtained in order to achieve the test objectives which link to the overall objectives of the audit. All evidence to support findings are held within the test finding sheets.</p> <p>As above.</p> <p>As above.</p>
	d) Document sufficient information?	✓			As above.
	<i>2310 Identifying Information</i>				

Ref	Conformance with the Standard	Y	P	N	Evidence
	<p>Have internal auditors identified the following in order to achieve each engagement's objectives:</p> <p>a) Sufficient information?</p> <p>b) Reliable information?</p> <p>c) Relevant information?</p> <p>d) Useful information?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>Internal auditors identify sufficient, reliable, relevant and useful information as part of the planning process for the engagement to ensure that the engagement objectives can be achieved. Where possible information is obtained from the primary source.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p>
	<i>2320 Analysis and Evaluation</i>				
	Have internal auditors based their conclusions and engagement results on appropriate analyses and evaluations?	✓			Test findings detail the evaluations and analyses carried out in order to reach the conclusions. Within the test findings any recommendations are highlighted.
<b>LGAN</b>	<p>Have internal auditors remained alert to the possibility of the following:</p> <p>a) intentional wrongdoing</p>	✓			Any intentional wrongdoing is considered when errors or omissions are identified. If necessary these are reported to senior management and the board as well as within the final report.

Ref	Conformance with the Standard	Y	P	N	Evidence
	b) errors and omissions  c) poor value for money  d) failure to comply with management policy, and  e) conflicts of interest	✓  ✓  ✓  ✓			Testing carried out should pick up any errors and omissions which will be documented within the test findings and if necessary included within the final report.  Poor value for money is considered within the testing where necessary.  Non compliance with policies is reviewed in most audits and findings documented.  Conflicts of interest are considered and if necessary documented and included within the final report.
	when performing their individual audits, and has this been documented?				
	<i>2330 Documenting Information</i>				
	Have internal auditors documented the relevant information required to support engagement conclusions and results?	✓			Test finding sheets document the information obtained and conclude on the findings of the test. Working papers are obtained to support the details within the test findings.
<b>LGAN</b>	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?	✓			Working papers are comprehensive enough for an independent person to follow. Details of the work carried out are shown within the test findings sheet along with details of the findings. A walk through of one of the

Ref	Conformance with the Standard	Y	P	N	Evidence
					sample is documented with working papers and if any issues identified then these are shown with further working papers to support.
	Does the CAE control access to engagement records?	✓			Engagement records are held electronically and in paper format. Electronic records are only accessible by the internal audit activity. Paper formats are held in lockable cabinets. Access required to these are controlled by the CAE.
	Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?	✓			Records are only released to external auditors however if they were required to be released to other external parties then approval of senior management would be obtained prior to this being carried out.
	Has the CAE developed and implemented retention requirements for all types of engagement records?	✓			The retention guidelines are part of the organisations guidelines for the retention of records.
	Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	✓			Data retention guidelines are in place and documents are released in line with guidance from the Data Protection Officer.
	<i>2340 Engagement Supervision</i>				
	Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	✓			Contractors files are reviewed to ensure that the objectives are achieved and the quality is assured. Due to

Ref	Conformance with the Standard	Y	P	N	Evidence
					constraints the chief audit executive currently does not fully review the in house auditors work but does review the reports issued. However, fortnightly 1 to 1 meetings are had to review work or discuss any issues.
	Is appropriate evidence of supervision documented and retained for each engagement?	✓			Reviews carried out are documented and held within the relevant engagement file.
<b>4.5</b>	<b>2400 Communicating Results</b>				
	Do internal auditors communicate the results of engagements?	✓			Results of the engagement are communicated with the auditee. A report is produced detailing the results of the engagement. This is issued out to the auditee, relevant Heads of Service, Senior Management and a summary is taken to board for review quarterly.
	<i>2410 Criteria for Communicating</i>				
	Do the communications of engagement results include the following:				
	a) The engagement's objectives?	✓			Objectives, scope, conclusions, recommendations and action plans are detailed within the engagement report.
	b) The scope of the engagement?	✓			As above. NB: The scope has only recently been re-introduced onto the audit reports after it was removed to make the reports more concise.

Ref	Conformance with the Standard	Y	P	N	Evidence
	c) Applicable conclusions?	✓			As above
	d) Recommendations and action plans, if appropriate?	✓			As above.
<b>LGAN</b>	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?	✓			The draft final report is discussed with the appropriate head of service and manager prior to it being issued as a final. If necessary the report will also be discussed with senior management.
<b>LGAN</b>	If recommendations and an action plan have been included, are recommendations prioritised according to risk?		✓		Key recommendations are stated within the way forward in the report any other minor points are raised at the wash up meeting with the auditee. However, they are not specifically highlighted as high, medium or low risk.
<b>LGAN</b>	If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?	✓			The person responsible for implementing the way forward is named within the way forward and where possible a timeframe is noted.
<b>LGAN</b>	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?	✓			If management do not agree with an areas a management comment is made within the report and the risk are highlighted.
<b>LGAN</b>	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?	✓			All material facts are communicated within the report to ensure that a true reflection is given of the findings within the area audited.

Ref	Conformance with the Standard	Y	P	N	Evidence
<b>LGAN</b>	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?	✓			All opinions obtained from the audits carried out are used to determine the annual internal audit opinion of the control environment.
	When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	✓			The expectations of senior management and the board are taken into account when opinions or conclusions are communicated to ensure that it links to the strategic objectives of the Council.
	When an opinion or conclusion is issued, is it supported by sufficient, reliable, relevant and useful information?	✓			Test findings support the conclusions/opinions made within the audit reports. The information is sufficient, useful and relevant to ensure that the test objectives are met. It is also reliable as primary source information is obtained.
	Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	✓			Where satisfactory performance is identified this is acknowledged to the auditee, within test findings and within the audit report.
	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?			✓	Engagement results are only released to external auditors. However, no limits on distributions or use of the results are communicated when these are released.
<b>LGAN</b>	If the CAE has been required to provide assurance to other partnership organisations, has he or she also demonstrated that their	N/A			The CAE has not been required to provide assurance to other partnership organisations.



Ref	Conformance with the Standard	Y	P	N	Evidence
	fundamental responsibility is to the management of the organisation to which they are obliged to provide internal audit services?				
	<i>2420 Quality of Communications</i>				
	<p>Are communications:</p> <p>a) Accurate?</p> <p>b) Objective?</p> <p>c) Clear?</p> <p>d) Concise?</p> <p>e) Constructive?</p> <p>f) Complete?</p> <p>g) Timely?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>Communications are faithful to the underlying facts, fair impartial and unbiased, written in clear language, concise so key points are easy to identify, constructive for way forwards, complete and presented within the timeframe agreed at the start of the audit or updated time during the audit.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p>
	<i>2421 Errors and Omissions</i>				
	If a final communication has contained a significant error or omission,	N/A			This has not occurred however if it

Ref	Conformance with the Standard	Y	P	N	Evidence
	did the CAE communicate the corrected information to all parties who received the original communication?				was to then the CAE would communicate the corrected information to all parties who received the original communication.
	<i>2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'</i>				
	Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?		✓		Work is currently under way to ensure that the standards are conformed with. However, the old CIPFA standards were conformed with.
	<i>2431 Engagement Disclosure of Nonconformance</i>				
	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 <i>Code of Ethics</i> or <i>Standard(s)</i> with which full conformance was not achieved?  b) The reason(s) for non-conformance?  c) The impact of non-conformance on the engagement and the engagement results?	N/A  N/A  N/A			Non-conformance with the PSIAS have not impacted on a specific engagement. However, if it had then this would be communicated within the audit report.
	<i>2440 Disseminating Results</i>				
	Has the CAE determined the circulation of audit reports within the	✓			The circulation list for the audit reports have been determined as being

Ref	Conformance with the Standard	Y	P	N	Evidence
	organisation, bearing in mind confidentiality and legislative requirements?				senior management and the relevant managers within the area being audited. External audit are also given a copy of the report when required and the board are given an overview of the reports at committee meetings as part of a quarterly update.
	Has the CAE communicated engagement results to all appropriate parties?	✓			Results are communicated to the auditee, senior management, the board, external auditors where necessary and any other relevant parties who may be affected or impacted by the findings and way forward agreed, for example the section 151 officer.
	<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>	<p>✓</p> <p>✓</p> <p>✓</p>			<p>Results are communicated within reports which are approved by senior management. Although not specifically released to parties outside the organisation the summary of the reports are available online for the public to view once approved. Where sensitive issues are reported these are not made available online for the public.</p> <p>As above.</p> <p>As above.</p> <p>As above.</p>

Ref	Conformance with the Standard	Y	P	N	Evidence
	Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	✓			Results of consulting engagements are communicated to senior management and the board highlighting any significant findings.
	<i>2450 Overall Opinion</i>				
	Has the CAE delivered an annual internal audit opinion?	✓			The CAE delivers an annual internal audit opinion to the board in June every year.
	Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?	✓			The internal audit opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control which is reported to senior management and the board.
	Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	✓			The overall opinion does take into account the expectations of senior management, the board and other stakeholders. The opinion is based on the assurance obtained through the work on the audit plan. The opinion is reported to senior management and the board annually.
	Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information?	✓			The opinion is supported by the evidence from the audits carried out in the financial year. This evidence is sufficient, relevant and useful as the audit plan is developed to ensure that the audits in the year cover sufficient areas to allow for an appropriate audit

Ref	Conformance with the Standard	Y	P	N	Evidence
					opinion to be made. The evidence from the audits is reliable.
	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?	✓  ✓  ✓  ✓			The overall opinion reached is shown within the audit opinion along with all other elements detailed.  As above.  As above.  As above.  As above.
	Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	N/A			A qualified or unfavourable annual internal audit opinion has not been given. However, if it was given then a reason for that opinion would be provided.
	Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?	✓			An annual report is delivered by the CAE to give the opinion on the control environment. This report can be used to inform the Council's governance statement.
	Does the annual report incorporate the following:  a) The annual internal audit opinion?	✓			The annual report includes the inter-

Ref	Conformance with the Standard	Y	P	N	Evidence
					nal audit opinion.
<b>LGAN</b>	b) A summary of the work that supports the opinion?	✓			The report does not specifically include a summary of the work that supports the opinion however, in order to reach the opinion the CAE reviews all audit report completed within the year. A summary of the work that supports the opinion is provided.
<b>LGAN</b>	c) A disclosure of any qualifications to the opinion?	✓			A disclosure of qualification to the opinion would be included if necessary along with the reason for that opinion.
<b>LGAN</b>	d) The reasons for any qualifications to the opinion?	✓			As above.
<b>LGAN</b>	e) A disclosure of any impairments or restriction in scope?	✓			This is included within the audit opinion.
<b>LGAN</b>	f) A comparison or work actually carried out with the work planned?	✓			A comparison of work carried out against work planned is provided along with reasons for the changes to the work originally planned.
	g) A statement on conformance with the PSIAS?	✓			A statement of the conformance with PSIAS is included along with a breakdown of the number of areas in which fully, partial or no compliance has been achieved.
<b>LGAN</b>	h) The results of the QAIP?	✓			The results of the QAIP are reported within the report along with any work carried out towards the QAIP.

Ref	Conformance with the Standard	Y	P	N	Evidence
LGAN	i) Progress against any improvement plans resulting from the QAIP?	✓			As above.
LGAN	j) A summary of the performance of the internal audit activity against its performance measures and targets?	✓			A summary of the performance of the internal audit activity against its performance measures is shown within the report.
	k) Any other issues that the CAE judges is relevant to the preparation of the governance statement?	✓			The CAE would include any issues relevant to the preparation of the governance statement.
4.6	<b>2500 Monitoring Progress</b>				
	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?	✓			Follow ups to monitor actions agreed by management to be implemented, are scheduled into the audit plan after 6 months of the audit being completed. For key financial systems these actions are followed up as part of the next audit carried out. If management have accepted the risk of not taking action then this is noted within the audit report and highlighted to senior management when the report is issued.
	Where issues have during the follow-up process, has the CAE considered revising the internal audit opinion?	✓			No major issues have been identified during the follow up process. However, if significant issues were identified then the CAE would consider revising the internal audit opinion if necessary. This would be communicated to senior management and the board.

Ref	Conformance with the Standard	Y	P	N	Evidence
	Do the results of monitoring management actions inform the risk-based planning of future audit work?	✓			Monitoring of management actions does inform the risk-based planning of future audit work as further audits may be carried out if actions not appropriate or concerns with the management.
	Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	✓			The outcome of consulting engagements are reviewed to ensure that they meet the purpose as agreed with the client.
<b>4.7</b>	<b>2600 Communicating the Acceptance of Risks</b>				
	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?	✓			If management has accepted a risk which may be unacceptable to the organisation then this is highlighted within the audit report and the chief audit executive raises this separately with senior management.
	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?	✓			Although this has never occurred, if necessary the matter would be taken and highlighted to board if the chief audit executive determines that the matter has not been resolved.