

## Allerdale Borough Council – Assurance, Risk & Audit (Self-Assessment 2021-22)

<b>1 Definition of Internal Auditing</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
<p>Using evidence gained from assessing conformance with other Standards, is the internal audit activity:</p> <p>a) Independent b) Objective</p>	<p>Yes Yes</p>	<p>Independence &amp; Objectivity defined within the Internal Audit Charter.</p> <p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE.</p>	<p>New Risk Based Audit Methodology designed to ensure both characteristics are achieved by the department (accounting for potential conflicts noted in annual declarations of interest).</p>
<p>Using evidence gained from assessing conformance with other Standards, does the internal audit activity use a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation?</p>	<p>Yes</p>	<p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE.</p>	<p>New Risk Based Audit Methodology, established templates, QAIP and control sheets in place to ensure consistent, systematic approach.</p> <p>Supervision in place (as defined within the methodology) to support consistency. Supervision check-list included to enhance consistent approach</p>
<b>2 Code of Ethics</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
<p>Integrity: Using evidence gained from assessing conformance with other Standards, do internal auditors:</p> <p>a) Perform their work with honesty, diligence and responsibility? b) Observe the law and make disclosures expected by the law and the profession? c) Not knowingly partake in any illegal activity nor engage in in acts that are discreditable</p>	<p>Yes</p>	<p>Ethical standards form key element of Audit Charter, with controls in place as part of methodology.</p> <p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE.</p> <p>Integrity values and requirement to keep to the law form part of Officer's</p>	<p>Declarations of interest introduced for internal staff.</p>

<p>to the profession of internal auditing or to the organisation?</p> <p>d) Respect and contribute to the legitimate and ethical objectives of the organisation?</p>		<p>Code of Conduct for all internal Council employees (based on the Nolan Principles).</p>	
<p>Objectivity: 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>Yes</p>	<p>Objectivity forms key element of Audit Charter. with controls in place as part of methodology.</p> <p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE.</p> <p>Integrity values and requirement to keep to the law form part of Officer's Code of Conduct for all Council employees (based on the Nolan Principles).</p> <p>Council has gifts and hospitality register, which Internal Audit staff use when necessary (0 instances in 2021/22).</p>	<p>Declarations of interest form in place and updated annually.</p>
<p>Confidentiality: 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>Yes</p>	<p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE.</p> <p>All information only used for Internal Audit purposes (all electronic documentation stored on shared audit drive, with access restricted to Internal Audit staff, paperless office in place with desks clear of confidential documents.</p>	

		Internal Audit staff all received training on data protection requirements as part of Corporate training programme	
<p>Competency: 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>b) Performing services in accordance with the PSIAS?</p>	Yes	<p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE.</p> <p>Required skills and experience defined within job descriptions.</p> <p>EQA performed every 5 years (2017) though extension to be requested for 2022/23 due to LGR.</p> <p>Annual self-assessment of conformance with PSIAS undertaken by Audit Services Manager</p>	<p>New audit methodology in place to guide process, supplemented by supervision process.</p> <p>Quality assurance and Improvement Programme in place and annual appraisals to identify and action any learning gaps.</p> <p>Audit control process includes continual improvement (supervisor, audit lead and client feedback).</p>
<p>c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?</p>	Yes	<p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE.</p> <p>Annual self-assessment of conformance with PSIAS undertaken by Audit Services Manager</p> <p>EQA performed every 5 years (2017) though extension to be requested for 2022/23 due to LGR.</p>	<p>Quality assurance processes introduced and annual appraisals to identify and action any learning gaps. Training resource in place. Audit Services Manager currently undertaking CIA qualification. Training programme for Auditors to be assessed following introductory period.</p> <p>New Audit control process includes continual improvement (supervisor, audit lead and client feedback) and weekly one to ones held with team members.</p>
<p>Do internal auditors have regard to the on Standards of Public Life's Seven Principles of public life?</p>	Yes	<p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE.</p>	

		Integrity values and requirement to keep to the law form part of Officer's Code of Conduct for all Council employees (based on the Nolan Principles).	
<b>1 Definition of Internal Auditing</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Does the internal audit charter include a formal definition of:  a) The purpose b) The authority and c) The responsibility of the internal audit activity consistent with the Public Sector Internal Audit Standards	Yes	All areas defined within Audit Charter.	
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.	Yes	Defined in Audit Charter.	
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?	Yes	Defined in Audit Charter.	

<p>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?</p> <p>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?</p> <p>f) Define the scope of internal audit activities?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Defined in Audit Charter.</p>	
<p>g) Recognise that internal audit's remit extends to the entire control environment of the organisation?</p> <p>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?</p> <p>i) Establish the organisational independence of internal audit?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Defined in Audit Charter.</p>	
<p>j) Cover the arrangements for appropriate resourcing?</p> <p>k) Define the role of internal audit in any fraud-related work?</p> <p>l) Set out the existing arrangements within the organisation's antifraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?</p> <p>m) Include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities?</p> <p>n) Define the nature of assurance services provided to the organisation, as well as</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Defined in Audit Charter.</p>	

<p>assurances provided to parties external to the organisation?</p> <p>o) Define the nature of consulting services?</p> <p>p) Recognise the mandatory nature of the PSIAS?</p>			
Does the chief audit executive (CAE) periodically review the internal audit charter and present it to senior management and the board for approval?	Yes	Reviewed annually – approved by Audit Committee July 2022	
Does the CAE attend audit committee meetings?	Yes	CAE attends Audit Committee meetings – see minutes.	
Does the CAE contribute to audit committee agendas?	Yes	CAE receives draft agenda and contribute towards items – see e-mails.	
Does the CAE have direct and unrestricted access to senior management and the board?	Yes	<p>CAE reports directly to Director of Place &amp; Governance (monitoring officer and member of Senior Management Team) with direct access to Chief Exec and Audit Chair</p> <p>Meetings held with SMT members at least annually and take place more frequently in reality.</p>	New methodology in place ensuring senior managers have opportunity to contribute towards scope and comment on audit findings.
Does the CAE have free and unfettered access to, as well as communicate effectively with, the chief executive or equivalent and the chair of the audit committee?	Yes	<p>CAE has direct access and meet with Chief Executive and Chair of Audit Committee as required.</p> <p>Briefing meetings held quarterly (prior to Audit Committee)</p>	
Are threats to objectivity identified and managed at the following levels:	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Declarations of interest in place with mitigating actions defined where necessary.

<p>a) Individual auditor? b) Engagement? c) Functional? d) Organisation?</p>		<p>Audit Charter and Methodology includes controls to maintain independence.</p>	
<p>Does the CAE report to an organisational level equal or higher to the corporate management team?</p>	<p>Yes</p>	<p>CAE reports directly to Director of Place &amp; Governance (Monitoring Officer/SMT).</p>	
<p>Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?</p>	<p>Yes</p>	<p>CAE reports directly to Director of Place &amp; Governance (Monitoring Officer/SMT).</p> <p>CAE has direct access to CEO and Chair of Audit Committee.</p>	
<p>Have reporting and management arrangements been put in place that preserves the CAE's independence and objectivity?</p> <p>This is of particular importance when the CAE is line managed by another officer of the authority.</p>	<p>Yes</p>	<p>Internal Audit report findings reported directly to Audit Committee.</p> <p>CAE has direct access to Chief Executive and Chair of Audit Committee</p>	<p>New Audit Charter &amp; Methodology includes controls to preserve integrity of the internal audit team.</p>
<p>Does the CAE's position in the management structure:</p> <p>a) Reflect the influence he or she has on the control environment? b) Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board? c) Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management?</p>	<p>Yes</p>	<p>Yes. CAE reports directly to SMT and has direct access to Chief Executive if required to raise concerns (documented in Charter)</p>	

<p>Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent? The following examples can be used by the CAE when assessing the organisational independence of the internal audit activity:</p> <p>The board: a) approves the internal audit charter b) approves the risk-based audit plan c) approves the internal audit budget and resource plan</p>	Yes	Charter and plan (including resource) both approved by Audit Committee annually – last reviewed 25 July 2022.	
d) receives communications from the CAE on the activity's performance (in relation to the plan, for example)	Yes	Quarterly progress reports to the Audit Committee including progress against plan.	
e) approves decisions relating to the appointment and removal of the CAE	Partial	In reality CAE appointed by Council; however, annual charter approved annually.	
f) seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.	Yes	<p>Audit Committee approve annual plan, including available resource.</p> <p>All audit reports reported to Audit Committee when finalised, so opportunity to challenge scope limitations in place.</p>	
Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?	Partial	Performance appraisal of CAE by Monitoring Officer (Line Manager). CEO has input into IA activity through regular liaison.	

Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?	Partial	No direct feedback – but performance of the Internal Audit department reviewed by Audit Committee.	
<b>1111 Direct Interaction with the Board</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Does the CAE communicate and interact directly with the board?	Yes	Regular reporting to Audit Committee and briefing meetings with Chair	
<b>1120 Individual Objectivity</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Do internal auditors have an impartial, unbiased attitude?	Yes	Independence & Objectivity defined within the Internal Audit Charter. Adherence monitored as part of supervision process.  CAE reports directly to Director of Place & Governance (Monitoring Officer/SMT).  21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	
Do internal auditors avoid any conflict of interest, whether apparent or actual?	Yes	Audit Methodology includes controls to manage.  21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Declarations of interest in place for internal team members
<b>1130 Impairment to independence or objectivity</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties (depending on the nature of	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Declarations of interest in place for internal team members

the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)?		Audit Methodology includes controls to manage independence of audit structure.  Gifts & Hospitality declarations made when required.	
Have internal auditors assessed specific operations for which they have been responsible within the previous year?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Internal Team from 22/23 both previously employed in Customer Services. No direct audits included in 22/23 Internal Audit Plan. Any testing identified that includes established processes within Customer Services will be performed by CAE to ensure independence is maintained.
If there have been any assurance engagements in areas over which the CAE also has operational responsibility, have these engagements been overseen by someone outside of the internal audit activity?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Independent checks will be performed for all areas CAE has responsibility (Follow-up review of Risk Management audit to be delivered by independent contractor).
Are assignments for on- going assurance engagements and other audit responsibilities rotated periodically within the internal audit team?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	No formal rotation proposed, as small team and duties are rotated on an ad-hoc basis. No concerns raised regarding over familiarity.
Have internal auditors declared interests in accordance with organisational requirements?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Declarations of interest in place.
Where any internal auditor has accepted any gifts, hospitality, inducements or other benefits from employees, clients, suppliers or other third parties (other than as may be allowed by the organisation's own policies), has this been declared and investigated fully?	Yes	Council has gifts and hospitality register (0 declarations for Internal Audit in 2021/22).	

Have any instances been discovered where an internal auditor has used information obtained during the course of duties for personal gain?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.  No instances identified.	
Have internal auditors disclosed all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice, subject to any confidentiality agreements?	Yes	Declarations of interest in place, updated annually.	
Have internal auditors complied with the Bribery Act 2010?	Yes	Yes – covered by Code of Conduct and gifts and hospitality register.	
If there has been any real or apparent impairment of independence or objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Declarations of interest in place – any potential or perceived conflicts would be addressed prior to assigning consultancy work within the team.
Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the board before the engagement was accepted?	Yes	All formal consultancy work approved by Audit Committee. All informal consultancy work (audit advice) reported to Audit Committee as part of monitoring reports. Audit advice reported to Audit Committee.	
<b>1200 Proficiency and Due Professional Care</b>			
<b>1210 Proficiency</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	Partial	CAE – PIIA qualified (studying MIIA)	
Is the CAE suitably experienced?	Yes	CAE experienced in Internal Audit (13 years)	

Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	Yes	Skills and experience required included in job descriptions.	Two internal staff recruited for 2022/23 undergoing induction and training programme.
Does the CAE ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes?	Yes	Yes, relevant job descriptions in place.	
Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	Partial	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Due to shortages in employment market attempts to recruit experienced auditors unsuccessful.  Two officers employed with organisation experience and relevant soft skills. Currently undergoing induction and training programme.
Where the internal audit activity does not possess the skills, knowledge and other competencies required to perform its responsibilities, does the CAE obtain competent advice and assistance?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	External assistance to be obtained where relevant during 2022/23 (E.g. Risk Management Follow-Up)
Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	Yes	CAE experienced in identifying fraud and fraud risk and carrying out fraud investigations and have received relevant training.	
Do internal auditors have sufficient knowledge of key information technology risks and controls?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.  Audit knowledge centre in place if further information 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?	Partial	CAAT currently not deemed appropriate for small team, but team is experienced in use of relevant IT software and adopts as necessary. Further development under consideration.	
<b>1220 Due Professional Care</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Do internal auditors exercise due professional care by considering the: a) Extent of work needed to achieve the engagement's objectives? b) Relative complexity, materiality or significance of matters to which assurance procedures are applied? c) Adequacy and effectiveness of governance, risk management and control processes? d) Probability of significant errors, fraud, or non-compliance? e) Cost of assurance in relation to potential benefits?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Guidance available through audit methodology and template folders.  Audit brief and Scoping carried out for all audit reviews to ensure relevant objectives are understood. Formal supervisor brief completed for all reviews.
Do internal auditors exercise due professional care during a consulting engagement by considering the  a) needs and expectations of clients, including the nature, timing and communication of engagement results? b) Relative complexity and extent of work needed to achieve the engagement's objectives? c) Cost of the consulting engagement in relation to potential benefits?	Yes	All audits subject to time constraints and scoping so that requirements are understood.  Timeliness of reporting embedded in audit methodology and measured.  Client feedback obtained as part of continuous improvement programme. Added value of assignment determined in planning stages and monitored at all stages of review to ensure still relevant.	

<b>1230 Continuing Professional Development</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Has the CAE defined the skills and competencies for each level of auditor?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Skills and competencies reviewed as part of each audit engagement (continuous improvement) and annual team appraisal.
Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Skills and competencies reviewed as part of each audit engagement (continuous improvement) and any development areas identified with agreed actions.  Annual appraisal process in place to review performance.
Do internal auditors undertake a programme of continuing professional development?	Yes	CAE communicates relevant professional information to team. CPD documented in QAIP.	
Do internal auditors maintain a record of their professional development and training activities?	Yes	Record of training undertaken recorded in QAIP.	
<b>1300 Quality Assurance and Improvement Programme</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</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?	Yes	Plan in place, updated annually	Refreshed for new internal team.
Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?	Yes	Audit methodology includes feedback from supervisor, audit lead and client.	
Does the CAE maintain the QAIP?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Refreshed for new internal team.

If the organisation is a 'larger relevant body' in England, does it conduct a review of the effectiveness of its internal audit at least annually, in accordance with the Accounts and Audit (England) Regulations 2011 section 6(3)?	Yes	Self assessment updated on an annual basis.	
<b>1310 Requirements of the Quality Assurance and Improvement Programme</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Does the QAIP include both internal and external assessments?	Yes	Yes, both included.	
<b>1311 Internal Assessments</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Delegation delivered by Audit Services Manager who has understanding of team's strength, abilities and knowledge.
Do internal assessments include ongoing monitoring of the internal audit activity, such as: a) Routine quality monitoring processes? b) Periodic assessments for evaluating conformance with the PSIAS?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.  Annual self-assessment of adherence to PSIAS in place. Last reviewed June 2022.	Routine quality monitoring in place for every individual engagement. Weekly one to one discussion with team members.
Does on - going performance monitoring include comprehensive performance targets?	Partial	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	KPI to be introduced from Q3.
Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	Yes	Issued to Audit Committee for annual approval.	KPI to be introduced from Q3.
Does the CAE measure, monitor and report on progress against these targets?	Yes	Progress reported to Audit Committee on a quarterly basis. KPI also reported	KPI to be introduced from Q3.

		as part of Corporate Performance Monitoring arrangements.  Progress against plan monitored on ongoing basis	
Does ongoing performance monitoring include obtaining stakeholder feedback?	Yes	Client satisfaction surveys issued for all audit engagements (see methodology)	Client feedback to be obtained post-audit (removing surveys due to limited feedback)
Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices?  Sufficiency would require knowledge of the PSIAS and the wider guidance available such as the Local Government Application Note and/or IIA practice advisories, etc.	Yes	Self-assessment carried out by Audit Services Manager. EQA performed in 2017 (Request extension) .	
Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	Yes	Progress against the plan reported quarterly to Audit Committee.	KPI to be introduced from Q3.
<b>1312 External Assessments</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Has an external assessment been carried out, or is planned to be carried out, at least once every five years?	Yes	Self-assessment carried out by Audit Services Manager. EQA performed in 2017 (Request extension).	
Has the CAE considered the pros and cons for the different types of external assessment (i.e. 'full' or self-assessment plus 'independent validation')?	Yes	Considered as part of procurement exercise.	Consider delaying until LGR for next exercise
Has the CAE discussed the proposed form of the external assessment and the qualifications and independence of the assessor or assessment team with the board?	Yes	Reported to Audit Committee.	

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?	Partial	N/K due to time since review and staffing changes, but no concerns raised.	Future procurement would include appropriate consideration.
Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?	Partial	N/K due to time since review and staffing changes, but no concerns raised.	Future procurement would include appropriate consideration.
Has the assessor or assessment team demonstrated its competence in both areas of professional practice of internal auditing and the external assessment process? Competence can be determined in the following ways: a) experience gained in organisations of similar size b) complexity c) sector (ie the public sector) d) industry (ie local government), and e) technical experience. Note that if an assessment team is used, competence needs to be demonstrated across the team and not for each individual member.	Partial	N/K due to time since review and staffing changes, but no concerns raised.	Future procurement would include appropriate consideration.
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?	Partial	N/K due to time since review and staffing changes, but no concerns raised.	Future procurement would include appropriate consideration.
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.	Partial	N/K due to time since review and staffing changes, but no concerns raised.	Future procurement would include appropriate consideration.

<b>1320 Reporting on the Quality Assurance and Improvement Programme</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Has the CAE reported the results of the QAIP to senior management and the board? Note that: a) the results of both external and periodic internal assessment must be communicated upon completion	Yes	Outcome of external assessment reported to Audit Committee.	Refreshed QAIP to be reported at close of 2022/23.
b) the results of ongoing monitoring must be communicated at least annually c) the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.	Yes	Outcome against recommendations of external assessment included in annual report. Annual self-assessments reported annually from next year. Action plan in place.	
Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Recorded in annual report
<b>1321 Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE. Recorded in annual report.	
<b>1322 Disclosure of Non conformance</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Has the CAE reported any instances of non-conformance with the PSIAS to the board?	Yes	None identified.	
Has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	Yes	None identified.	

<b>4 Performance Standards</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</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?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Methodology in place to ensure work delivered in line with the charter. Supervision and control sheet process in place to ensure compliance.
Does the internal audit activity conform with the Definition of Internal Auditing and the Standards?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Defined in charter and methodology.
Do individual internal auditors, who are part of the internal audit activity, demonstrate conformance with the Code of Ethics and the Standards?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Defined in charter and job descriptions.  Line Manager responsibilities in place to monitor adherence.
Does the internal audit activity add value to the organisation and its stakeholders by a) Providing objective and relevant assurance? b) Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Defined in charter and methodology.
<b>2010 Planning</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
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?	Yes	Priorities defined using planning methodology designed to highlight risk areas and consider organisational objectives (including discussions with SMT).  Internal Audit plan approved for 2022/23.	
Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?	Yes	Annual opinion reported to Audit Committee and fed into Annual	

		Governance Statement. 2021/22 opinion reported July 2022.	
Does the risk-based plan take into account the organisation's assurance framework?	Yes	Relevant risks identified from assurance framework and considered as part of planning process and annual opinion. See planning methodology. Some developments of audit universe and collation of assurances developed in 2021/22.	
Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of: a) How the internal audit service will be delivered? How the internal audit service will be developed in accordance with the internal audit charter? b) How the internal audit service links to organisational objectives and priorities?	Yes	Audit plan prepared.	Audit planning methodology in place, linked to audit charter and methodology.
Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	Yes	Scoring process in place for monitoring local and national risks, with risk universe in place. Scoring and process defined in audit methodology.  Proposed scope included as part of plan (to ensure relevant issues identified are captured)	
In developing the risk-based plan, has the CAE taken into account the organisation's risk management framework and relative risk maturity of the organisation?	Yes	Risks identified as part of risk management process (i.e. risk registers) included as part of planning process.  See planning methodology.  Current process is focused on Internal Audit's assessment of risk, so not reliant	

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

Does the CAE review the plan on a regular basis and has he or she adjusted the plan when necessary in response to changes in the organisation's business, risks, operations, programmes, systems and controls?	Yes	As above – regular review of risk environment.	
Is the internal audit activity's plan of engagements based on a documented risk assessment?	Yes	Risk based evaluation in place, as defined in the planning methodology.	
Is the risk assessment used to develop the plan of engagements undertaken at least annually?	Yes	Regular risk monitoring and assessment in place, with planning process carried out annually (alongside ongoing monitoring)	
In developing the risk-based plan, has the CAE also considered the following: a) Any declarations of interest (for the avoidance for conflicts of interest)? b) The requirement to use specialists, e.g. IT or contract and procurement auditors? c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary?	Yes	Conflicts managed using different members of the team.  Specialist ICT work included in 2021/22  Contingencies in place for all perceived audit work, including fraud investigations and provision of audit advice.	Requirement for specialist ICT work recognised and monitored on an ongoing basis.
c) The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CAE opinion?	Yes	Time in plan for routine administration, attendance of audit committee and planning process.	
Is the input of senior management and the board considered in the risk assessment process?	Yes	At minimum, annual meeting with all SMT to discuss internal audit plan – see planning methodology, but ongoing	

		discussions take place throughout the year.	
Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	Yes	Management expectations considered as part of annual opinion.	
Does the CAE take into consideration any proposed consulting engagement's potential to improve the management of risks, to add value and to improve the organisation's operations before accepting them?	Yes	All audit work undertaken including formal consulting assignments, fraud investigations and ad-hoc advice considered as part of overall opinion.	
Are consulting engagements that have been accepted included in the risk-based plan?	Yes	Consultancy engagements included for consideration as part of planning process and contingency in place for consulting engagements if required (also defined in charter and methodology).	
<b>2020 Communication &amp; Approval</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	Yes	Internal Audit plan presented to SMT and approved by Audit Committee on an annual basis.	
Has the CAE communicated any significant interim changes to the plan and/or resource requirements to senior management and the board for review and approval, where such changes have arisen?	Yes	Amendments to plan reported to Audit Committee as and when required.	
Has the CAE communicated the impact of any resource limitations to senior management and the board?	Yes	Performance and mitigating activity reported to Audit Committee as part of progress reports. Guidance received from CIPFA for annual opinion as all public authorities impacted by pandemic.	

<b>2030 Resource Management</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Does the risk-based plan explain how internal audit's resource requirements have been assessed?	Yes	See planning methodology.	
Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise abortive work and time?	Yes	Yes, timing agreed as part of scoping process. Reasonable adjustments made as and when arising	
If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board? This may include an imbalance between the work plan and resource availability and/or other significant matters that jeopardise the delivery of the plan or require it to be changed.	Yes	Performance and mitigating activity reported to Audit Committee as part of progress reports.  External contractor utilised to ensure suitable coverage in year.	Further consideration of external contractor considered for 2022/23.
<b>2040 Policies &amp; Procedures</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Has the CAE developed and put into place policies and procedures to guide the internal audit activity?	Yes	Charter, methodology and planning methodology in place and reviewed annually	
Has the CAE established policies and procedures to guide staff in performing their duties in a manner than conforms to the PSIAS? Examples include maintaining an audit manual and/or using electronic management systems.	Yes	Manual in place with methodology and template documents designed in line with PSIAS requirements. Supervisory and control process in place to ensure compliance with approved methodology.	
Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	Yes	Amended as required, including full annual review at start of each financial year and ongoing continuous improvement activity.	

<b>2050 Coordination</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?	Yes	Assurance mapping included as part of planning process.  Other sources of assurance would be used for relevant audits if identified. Extent of reliance would be assessed on an individual basis.	Assurance collation currently ad-hoc – process to properly capture assurances to be embedded in methodology and supporting monitoring documents
Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	Yes	Assurance mapping included as part of planning process and referenced in annual opinion.	Assurance collation currently ad-hoc – process to properly capture assurances to be embedded in methodology and supporting monitoring documents
Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?	Yes	Regular meetings with External Auditors.  Internal Audit has Risk Management oversight function, so will identify arising issues.	Internal Audit to work with other assurance providers (second line) as required.
Does the CAE meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans?	Partial	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.  Limited communication in place	Redmond review identified need for closer liaison between internal and external audit.  Regular liaison meetings in place going forward.
<b>2060 Reporting to Senior Management and the Board</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
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?	Yes	Chief Executive and all relevant Senior Managers receive copies of final audit reports. Partial/Limited reviews presented to SMT.  Quarterly progress reports to the Audit Committee.	

Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?	Yes	All risk exposures identified by Internal Audit included in quarterly report (all audit reports presented).  Governance risk assessed against Good Governance Principles and ongoing consideration to fraud risks	
Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board?	Yes	Established quarterly monitoring in place	
<b>2070 External Service Provider and Organisational Responsibility for Internal Auditing.</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation?	Yes	N/A	
<b>2100 Nature of Work</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Does the internal audit activity evaluate and contribute to the improvement of the organisation's governance, risk management and internal control processes?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Audit engagements and methodology devised to recommend improvements to governance, risk management and internal controls.
Does the internal audit activity evaluate and contribute to the improvement of the above using a systematic and disciplined approach and is this evidenced?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Systematic approach defined within audit methodology.

<b>2110 Governance</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Does the internal audit activity: a) Promote appropriate ethics and values within the organisation? b) Ensure effective organisational performance management and accountability? c) Communicate risk and control information to appropriate areas of the organisation? d) Coordinate the activities of and communicate information among the board, external and internal auditors and management?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Audits designed to meet organisational objectives. Audit templates include standard testing of governance processes.
Does the internal audit activity assess and make appropriate recommendations for improving the governance process as part of accomplishing the above objectives?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	See above – standard governance template and relevant recommendations made throughout.
Has the internal audit activity evaluated the: a) design b) implementation, and c) effectiveness of the organisation's ethics-related objectives, programmes and activities?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE.	Ethical governance considered as part of audit reviews where relevant.
Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE (including two specialist ICT reviews)	Continue to consider ICT risks as part of review process.
Has the CAE considered the proportionality of the amount of work required to assess the ethics and information technology governance of the organisation when developing the risk-based plan?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE	Included in risk evaluation

<b>2120 Risk Management</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
<p>Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that:</p> <ul style="list-style-type: none"> <li>a) Organisational objectives support and align with the organisation's mission</li> <li>b) Significant risks are identified and assessed?</li> <li>c) Appropriate risk responses are selected that align risks with the organisation's risk appetite?</li> <li>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?</li> </ul>	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE (including full review of risk management process)	Adherence to Risk Management Process is included on standard working paper for governance.
<p>Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the:</p> <ul style="list-style-type: none"> <li>a) Achievement of the organisation's strategic objectives?</li> <li>b) Reliability and integrity of financial and operational information?</li> <li>c) Effectiveness and efficiency of operations and programmes?</li> <li>d) Safeguarding of assets?</li> <li>e) Compliance with laws, regulations, policies, procedures and contracts?</li> </ul>	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE	The 5 stated control areas are considered as part of formulating relevant risks as part of each individual audit.
<p>Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?</p>	Yes	Counter-fraud included in audit universe as reviewable area. Audit takes an active role in fraud reviews - performing all relevant investigations	Audit of Procurement fraud to be undertaken in 22/23.

		and delivery of fraud training and participating in the NFI. Any identified fraudulent activity included in risk scoring of auditable areas (including relevant frauds outside of the authority if identified in news articles).	
Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	Yes	No consultancy in 2021/22.	Relevant risks will be identified in the terms of engagement for any consulting activities (see methodology)
Are internal auditors alert to other significant risks when undertaking consulting engagements?	Yes	Audits based on all identified risks within the area. Engagements include planning time for the Internal Auditor to identify potential risk areas that management may not be aware of.	
Do internal auditors successfully avoid managing risks themselves, which would in effect lead to taking on management responsibility, when assisting management in establishing or improving risk management processes?	Yes	Audit responsible for overseeing risk management arrangements, but management clear responsibility for identifying risk.	
<b>2130 Control</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the: a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets?	Yes	See above – included as part of all reports	

e) Compliance with laws, regulations, policies, procedures and contracts?			
Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	Yes	Where relevant	
<b>2200 Engagement Planning</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Do internal auditors develop and document a plan for each engagement?	Yes	Brief and scope prepared for all engagements.	
Does the engagement plan include the engagement's: a) Objectives? b) Scope? c) Timing? d) Resource allocations	Yes	Yes – template scope and agenda in place and approach defined in methodology.	
Do internal auditors consider the following in planning an engagement, and is this documented: a) The objectives of the activity being reviewed? b) The means by which the activity controls its performance? c) The significant risks to the activity being audited? d) The activity's resources? e) The activity's operations? f) The means by which the potential impact of risk is kept to an acceptable level? g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?	Yes	Yes – template scope and agenda in place and approach defined in methodology.	

h) The opportunities for making significant improvements to the activity's governance, risk management and control processes.			
Where an engagement plan has been drawn up for an audit to a party outside of the organisation, have the internal auditors established a written understanding with that party about the following: a) Objectives? b) Scope?	Yes	N/A No external reviews.	
c) The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)?	Yes	N/A No external reviews	
For consulting engagements, have internal auditors established an understanding with the engagement clients about the following: a) Objectives? b) Scope? c) The respective responsibilities of the internal auditors and the client and other client expectations?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review (as embedded in methodology).	
For significant consulting engagements, has this understanding been documented?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review (as embedded in methodology).	
<b>2210 Engagement Objectives</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Have objectives been agreed for each engagement?	Yes	Included in Scope (See template document)	
Have internal auditors carried out a preliminary risk assessment of the activity under review?	Yes	All audited areas include preliminary risk assessment as part of audit planning	

		process (see planning methodology). This is developed as part of audit preparation prior to scoping meeting (See methodology)	
Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	Yes	Briefing includes risk score and any relevant risks identified.  Scoping meeting based on a mutual understanding between audit and client leads on the perceived risks	
Have internal auditors considered the probability of the following, when developing the engagement objectives: a) Significant errors? b) Fraud? c) Non-compliance? d) Any other risks?	Yes	Relevant risks considered during scoping exercise (see methodology).	
Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether objectives and goals have been accomplished?	Yes	Template working paper in place for review of governance processes.	
If the criteria have been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?	Yes	If control design is deemed adequate it will be subject to testing (see methodology).	
If the criteria have been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	Yes	Recommendations made for improvements to control framework.	

If the value for money criteria has been referred to, has the use of all the organisation's main types of resources been considered; including money, people and assets?	Yes	All aspects considered when reviewing vfm.	
Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.	
Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.	
<b>2220 Engagement Scope</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Is the scope that is established for the engagement sufficient to satisfy the engagement's objectives?	Yes	Scopes established for 2021/22 reviews prepared by compliant/independent contractor.  the risks to be reviewed relevant to the engagement area.	Scope template for 2022/23 methodology based on key risks to business objectives.
Does the engagement scope include consideration of the following relevant areas of the organisation: a) Systems? b) Records? c) Personnel? d) Premises?	Yes	Risks relevant to these four factors considered as part of the scoping exercise.	Template testing schedules in place to ensure these factors are considered.
Does the engagement scope include consideration of the following relevant areas under the control of outside parties, where appropriate: a) Systems? b) Records? c) Personnel? d) Premises?	Yes	Risks relevant to these four factors considered as part of the scoping exercise.	Template testing schedules in place to ensure these factors are considered

Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review (per methodology)  No consulting work delivered in 2021/22.	
Where significant consulting opportunities have arisen during an assurance engagement, were the results of the subsequent engagement communicated in accordance with the relevant consulting standards?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review, including agreed audit output (usually report/memo)  No consulting work delivered in 2021/22.	
For a consulting engagement, was the scope of the engagement sufficient to address any agreed-upon objectives?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.  No consulting work delivered in 2021/22.	
If the internal auditors developed any reservations about the scope of a consulting engagement while undertaking that engagement, did they discuss those reservations with the client and therefore determine whether or not to continue with the engagement?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.  No consulting work delivered in 2021/22.	
During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.  No consulting work delivered in 2021/22.	
During consulting engagements, were internal auditors alert to any significant control issues?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review. Purpose of any consulting	

		engagement would be identify control issues at an early stage.  No consulting work delivered in 2021/22.	
<b>2230 Engagement Resource Allocation</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of the engagement based on: a) The nature and complexity of each individual engagement? b) Any time constraints? c) The resources available?	Yes	Time estimates assigned to individual reviews and audit plan balanced to available resource. Reasons for any variations noted in audit universe and on supervisor sheets	Review of allocation carried out as part of supervisory process (control sheets)
<b>2240 Engagement Work Programme</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Have internal auditors developed and documented work programmes that achieve the engagement objectives?	Yes	Standard work programme in place as recorded in methodology with regular supervision of progress against milestones.	
Do the engagement work programmes include the following procedures for: a) Identifying information? b) Analysing information c) Evaluating information? d) Documenting information?	Yes	Documented in methodology Relevant risks and controls in place identified in scoping meeting and other interviews and correspondence. Suitability of controls checked through audit testing. Control framework evaluated based on testing. All findings documented.	
Were work programmes approved prior to implementation for each engagement?	Yes	All audit work follows same basic work programme (control sheet in place to ensure adherence).	

Were any adjustments required to work programmes approved promptly?	Yes	All audit work follows same basic work programme with variations agreed by audit manager (control sheet in place to ensure adherence). Variations discussed as required, but weekly supervision in place to ensure no gaps.	
<b>2300</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Have internal auditors carried out the following in order to achieve each engagement's objectives: a) Identify sufficient information? b) Analyse sufficient information? c) Evaluate sufficient information?	Yes	All audit work follows same basic work programme with variations agreed by audit manager (control sheet in place to ensure adherence).	
d) Document sufficient information?	Yes	All audit work follows same basic work programme with variations agreed by audit manager (control sheet in place to ensure adherence).	
<b>2310 – Identifying Information</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Have internal auditors identified the following in order to achieve each engagement's objectives: a) Sufficient information? b) Reliable information? c) Relevant information? d) Useful information?	Yes	2021/22 work delivered by compliant/independent contractor overseen by CAE.	Information related should relate to contents of agreed scope in line with new methodology.  Supervisory process in place to ensure appropriate information collected.
Have internal auditors based their conclusions and engagement results on appropriate analyses and evaluations?	Yes	2021/22 work delivered by compliant/independent contractor overseen by CAE.	Working papers complete in line with template documents and methodology to support conclusions (which are reviewed by the Audit Supervisor)

<p>Have internal auditors remained alert to the possibility of the following:</p> <ul style="list-style-type: none"> <li>a) intentional wrongdoing</li> <li>b) errors and omissions</li> <li>c) poor value for money</li> <li>d) failure to comply with management policy, and</li> <li>e) conflicts of interest</li> </ul>	<p>Yes</p>	<p>2021/22 work delivered by compliant/independent contractor overseen by CAE.</p>	<p>Established controls subject to testing devised to pick up these factors where relevant. Supervisory process in place to ensure appropriate consideration in place.</p>
<p>When performing their individual audits, and has this been documented?</p>	<p>Yes</p>	<p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE</p>	<p>All findings to be documented in relevant working papers.</p>
<p>Have internal auditors documented the relevant information required to support engagement conclusions and results?</p>	<p>Yes</p>	<p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE</p>	<p>All findings recorded in working papers, including supporting documentation.</p>
<p>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?</p>	<p>Yes</p>	<p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE</p>	<p>All working papers subject to review by Audit Supervisor to ensure reasonable and supported conclusions are made.</p>
<p>Does the CAE control access to engagement records?</p>	<p>Yes</p>	<p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE</p>	<p>Electronic records only – access restricted to Internal Audit team.</p>
<p>Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?</p>	<p>Yes</p>	<p>Audit reports are only documentation routinely made public. All reports subject to sign off from a Senior Manager, who is aware the information will be made public. Reports deemed to include sensitive information are restricted.</p> <p>Clearance would be obtained for any other information issued to a third party or made public (no instances to date).</p>	

Has the CAE developed and implemented retention requirements for all types of engagement records?	Partial	Shared drive inherited with audit documentation retained over filing structure.	Full review of records to be performed during 2022/23 to ensure only relevant information is retained (6 years plus current).
Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	Partial	Shared drive inherited with audit documentation retained over filing structure. Records held not fully explored.	Standard 6 years plus current to be adopted.
Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE	Supervisor process and sheet in place, which includes continual improvement by identifying learning from any issues or difficulties identified.  Client satisfaction included as part of feedback process.  Weekly supervision of progress.
Is appropriate evidence of supervision documented and retained for each engagement	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE	Supervisors document comments and changes electronically on copy of working papers, which are retained on file.  Supervisor signs control sheet at end of review, which is scanned and retained on file.
<b>2400 Communicating Results</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Do internal auditors communicate the results of engagements?	Yes	All reports issued to audit client, Senior Manager, Chief Executive and Audit Committee as well as any other relevant Officers identified in terms of reference and during the audit review.	

<b>2410 Criteria for communicating</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Do the communications of engagement results include the following a) The engagement's objectives? b) The scope of the engagement? c) Applicable conclusions?	Yes	All included as standard information within template reports.	Included in new template report
d) Recommendations and action plans, if appropriate?	Yes	Standard template report in place.	Included in new template report
Has the internal auditor discussed the contents of the draft final report with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions?	Yes	Draft audits issued to Client Lead to confirm accuracy and agreed actions.	Senior Manager to also receive copy of draft reports for comment prior to finalisation.
If recommendations and an action plan have been included, are recommendations prioritised according to risk?	Yes	Recommendations are either given priority in line with contractor methodology.	Recommendations are either given high or medium priority. Further advisory comments are made in reports and included as part of separate appendix for management information.
If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?	Yes	Timescales included in action plan template.	
If there are any areas of disagreement between the internal auditor and management, which cannot be resolved by discussion, are these recorded in the action plan and the residual risk highlighted?	Yes	No disagreements identified in 2021/22.	Disagreements are noted in senior management comments of the report.

Do communications disclose all material facts known to them in their audit reports which, if not disclosed, could distort their reports or conceal unlawful practice, subject to confidentiality requirements?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE	Yes, all relevant facts disclosed (as judged by individual auditor)
Do the final communications of engagement results contain, where appropriate, the internal auditor's opinions and/or conclusions, building up to the annual internal audit opinion on the control environment?	Yes	Yes. Overall opinion based on achievement of the annual programme.	
When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	Yes	Yes. Senior Managers and AC receive copy for comment/feedback.	Relevant Senior Manager will be asked to provide comment on individual assignments.  Any partial/limited reviews will be reported to SMT and AC receives copy of all final reports.
When an opinion or conclusion is issued, is it supported by sufficient, reliable, relevant and useful information?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE	All audit reports supported by relevant working papers (subject to supervisory review)
Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE	Audit methodology and template requires balanced findings to be stated (positives and negatives)
When engagement results have been released to parties outside of the organisation, does the communication include limitations on the distribution and use of the results?	Yes	All audit reports (unless containing sensitive information) are public documents (content is considered as part of report preparation). Names and sensitive information are not included in public audit reports.	

		Any reports issued under part 2 (private) are restricted to relevant officers and Audit Committee.	
If the CAE has been required to provide assurance to other partnership organisations, has he or she also demonstrated that their fundamental responsibility is to the management of the organisation to which they are obliged to provide internal audit services?	Yes	N/A No assurances provided to partnership organisations.	CAE has obligations to two other district councils as part of shared management arrangement. CAE is required to deliver equal responsibility to each organisation based on resource available.
<b>2420 Quality of Communications</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Are communications: a) Accurate b) Objective c) Clear d) Concise e) Constructive f) Complete g) Timely	Yes	21/22 Audits delivered by compliant, competent & independent contractor overseen by CAE	Audit methodology and supervisory process devised to ensure quality of audit communication  KPI to be introduced to measure the timeliness of audit reviews.
If a final communication has contained a significant error or omission, did the CAE communicate the corrected information to all parties who received the original communication?	Yes	No instances identified in 2021/22. However, any material errors identified would be reported to relevant officers and members who had received original erroneous communication.	
<b>2430 Use of “Conducted in Conformance with the International Standards for the Practice of Internal Auditing”.</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Do internal auditors report that engagements are ‘conducted in conformance with the PSIAS’ only if the results of the QAIP support such a statement?	Yes	2021/22 work delivered by compliant/independent contractor overseen by CAE.  No non-conformance identified.	Standard paragraph in audit report templates.

<b>2431 Engagement Disclosure of Non-conformance</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
<p>Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following:</p> <p>a) The principle or rule of conduct of the Code of Ethics or Standard(s) with which full conformance was not achieved?</p> <p>b) The reason(s) for non-conformance?</p> <p>c) The impact of non-conformance on the engagement and the engagement results?</p>	Yes	<p>2021/22 work delivered by compliant/independent contractor overseen by CAE.</p> <p>No non-conformance identified.</p>	Standard paragraph in audit report templates.
<b>2440 Disseminating Results</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	Yes	<p>2021/22 work delivered by compliant/independent contractor overseen by CAE.</p> <p>Circulation reviewed for each assignment as received.</p> <p>Final audit reports public information (do not contain names or personal information) unless content is considered confidential.</p>	<p>In line with new audit methodology results are reported to Audit Client, relevant Corporate Director, Chief Executive and any other relevant parties as identified in individual engagement. Reports are then issued to Audit Committee and minutes made available to full Council.</p> <p>Partial audit reports are reported to SMT.</p>
Has the CAE communicated engagement results to all appropriate parties?	Yes	<p>21/22 Audits delivered by compliant, competent &amp; independent contractor overseen by CAE</p> <p>Circulation reviewed for each assignment as received.</p> <p>Final audit reports public information (do not contain names or personal</p>	<p>In line with new audit methodology results are reported to Audit Client, relevant Corporate Director, Chief Executive and any other relevant parties as identified in individual engagement. Reports are then issued to Audit Committee and minutes made available to full Council.</p> <p>Partial audit reports are reported to SMT.</p>

		information) unless content is considered confidential.	
Before releasing engagement results to parties outside the organisation, did the CAE: a) Assess the potential risk to the organisation? b) Consult with senior management and/or legal counsel as appropriate? c) Control dissemination by restricting the use of the results?	Yes	All audit reports ultimately become public documentation unless identified as part 2 items (which would be kept internal to Council). Reports are written to ensure confidential information is not disclosed.  Part 2 audit reports restricted to relevant officers and audit committee only.	
Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	Yes	Terms of reference prepared for all consulting work in same manner as any audit review.  No consultancy work delivered in 2021/22	
<b>2454 Overall Opinion</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</b>
Has the CAE delivered an annual internal audit opinion?	Yes	Audit opinion stated in annual report to Audit Committee July 22 (prepared by external contractor based on work delivered)	
Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?	Yes	Included in report	
Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	Yes	Included in report	

Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information?	Yes	Annual report is supported by internal audit work delivered in the year.	
Does the communication identify the following: a) The scope of the opinion, including the time period to which the opinion relates? b) Any scope limitations? c) The consideration of all related projects including the reliance on other assurance providers? d) The risk or control framework or other criteria used as a basis for the overall opinion?	Yes	Scope (including limitations), consideration of all internal audit work and the control assessment adopted all included in overall opinion.	
Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	Yes	Reasons stated when required	
Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?	Yes	Yes, annual report delivered to July 2022 Audit Committee.	
Does the annual report incorporate the following: a) The annual internal audit opinion? b) A summary of the work that supports the opinion? c) A disclosure of any qualifications to the opinion? d) The reasons for any qualifications to the opinion?	Yes	As above	
e) A disclosure of any impairments or restriction in scope? f) A comparison or work actually carried out with the work planned?	Yes	As above.	

g) A statement on conformance with the PSIAS? h) The results of the QAIP?			
i) Progress against any improvement plans resulting from the QAIP? j) A summary of the performance of the internal audit activity against its performance measures and targets? k) Any other issues that the CAE judges is relevant to the preparation of the governance statement?	Yes	As above. No detailed measure of performance as focus was on completion of audit plan following extended vacancies.	Performance measure outcomes to be included in annual report. QAIP in place
<b>2500 Monitoring Progress</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</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?	Yes	All outstanding audit recommendations registered and followed up on a routine basis until implemented or management have accepted risks.  Progress reported to Audit Committee on a quarterly basis.	Schedule of outstanding actions followed up to be reported to Committee from 22/23.
Where issues have during the follow-up process, has the CAE considered revising the internal audit opinion?	Yes	Reports prepared for all follow-ups of all areas rated partial or lower (None in 2021/22).	Findings of all audit activity considered as part of overall opinion
Do the results of monitoring management actions inform the risk-based planning of future audit work?	Yes	Partial (and below) assessments receive ongoing follow-up reviews until control assessment is improved (to reasonable or substantial).  Recurrent (theme) and high graded recommendations monitored and reported.	
Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	Yes	Any recommendations from consultancy reviews will be recorded on register of outstanding recommendations in line with audit process.	

<b>2600 Communicating the Acceptance of Risks</b>			
<b>Conformance with the Standard</b>	<b>Y/P/N</b>	<b>2021/22 Evidence</b>	<b>Amendments/Additions 2022/23</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?	Yes	No instances identified 2021/22.	<i>Audit Methodology specifies process for none acceptance of recommendations</i>
If, after discussion with senior management, the CAE continues to conclude that the level of risk may be unacceptable to the organisation, has he or she communicated the situation to the board?	Yes	No instances identified 2021/22.	<i>Audit Methodology specifies process for none acceptance of recommendations</i>