

CHECKLIST FOR ASSESSING CONFORMANCE WITH THE PSIAS AND THE LOCAL GOVERNMENT APPLICATION NOTE

Ref	Conformance with the Standard	Y	P	N	Evidence
1	Definition of Internal Auditing				
	Using evidence gained from assessing conformance with other Standards, is the internal audit activity:				
	a) Independent?	Y			Reports directly to Audit Committee. Covered in Consortium Legal Agreement & Charter. Also recognised in the Council's Constitution.
	b) Objective?	Y			
	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?	Y			The work of the Internal Audit Team is based upon the Audit Plan with that Plan being aimed at providing appropriate levels of assurance to those charged with Governance. The outcomes of the planned work are reported to the Audit Committee and inform the Council's Annual Governance Statement.
2	Code of Ethics				
	Integrity				
	Using evidence gained from assessing conformance with other Standards, do internal auditors:				
	a) Perform their work with honesty, diligence and responsibility?	Y			Declaration of Business Interests Appropriate standards of competence and training including a structured process of agreeing staffing structures and job descriptions, ongoing evaluation through the EDPR process regarding competence and performance. The Interim Head is a professionally qualified accountant and 8 employees are Members of the Association of Accounting Technicians. All these staff participate in appropriate CPD activities. All employees operate within the framework established by the host authority concerning the employee Code of Conduct, and would be subject to appropriate disciplinary action should that Code be breached.
	b) Observe the law and make disclosures expected by the law and the profession?	Y			
	c) Not knowingly partake in any illegal activity nor engage in acts that are discreditable to the profession of internal auditing or to the organisation	Y			
	d) Respect and contribute to the legitimate and ethical objectives of the organisation	Y			The service makes an active contribution to the operation of the Audit Committee and inputs into key corporate documents such as the Annual Governance Statement, supports appropriate behaviour across the authority by involvement in the training of both Elected Members and employees.

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	Objectivity				
	Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by not:				
	a) Taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment?	Y			Declaration of Business Interests
	b) Accepting anything that may impair or be presumed to impair their professional judgement?	Y			Code of Conduct
	c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?	Y			Adherence to Professional Standards
	Confidentiality				
	Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:				All staff have appropriate Data Protection Training and are trained to respect confidentiality.

	a) Acting prudently when using information acquired in the course of their duties and protecting that information? b) Not using information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation?	Y Y			The staff are signed up to an Employee Code of Conduct with both EDPR's and Team Meeting used to enforce that requirement.
	Competency Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by: a) Only carrying out services for which they have the necessary knowledge, skills and experience? b) Performing services in accordance with PSIAS?	Y Y			An experienced and qualified team, with all reports being reviewed by Internal Audit Management, by the Client managers and where appropriate by Elected Members. The Audit Manual which guides the conduct of individual audits has been developed to reflect Good Professional Practice and is currently being updated to ensure compliance with PSIAS

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	c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?	Y			HOIC and Senior auditors participate in CPD
	Do internal auditors have regard to the on Standards of Public Life's <i>Seven Principles of Public Life</i> ?	Y			Included in the Audit Manual supported by work at EDPR's and team meetings.
	Standards				
3	Attribute Standards				
3.1	1000 Purpose, Authority and Responsibility				
	Does the internal audit charter include a 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 (PSIAS)?	Y Y Y			See Charter, Consortium legal agreement and audit manual. These are all reflected within the Council's Constitution.
LGAN	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.	Y			These terms are defined in the Charter. The Board is the respective audit Committees and senior Management is each Councils senior management team.
LGAN	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?	Y Y Y			The Charter sets out that the internal audit activity is within finance however reports directly to the Audit Committee The Head of Internal Audit regularly reports directly to the Audit Committee and this is set out in the charter The Audit Charter sets out all reporting lines and relationships

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LGAN	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?	Y			Council's Constitution. The Council has stated that it will comply with the CIPFA Guidance on the Role of the Head of Internal Audit. The Charter establishes the Audit Committees responsibilities and those of other statutory officers.
LGAN	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?	Y			Set out in Council's Constitution. Charter and Legal Agreement and audit manual
LGAN	f) Define the scope of internal audit activities?	Y			
LGAN	g) Recognise that internal audit's remit extends to the entire control environment of the organisation?	Y			This is specified in the Audit Charter

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?	Y			The internal Audit annual report gives an opinion on the overall control environment based on the work undertaken during the year
LGAN	i) Establish the organisational independence of internal audit?	Y			Constitution, AGS, direct reporting line to the Audit Committee
	j) Cover the arrangements for appropriate resourcing?				The Internal Auditor recommends an Audit Plan at the commencement of each year which is intended to provide assurance to the Audit Committee and Managers concerning the effectiveness of the Internal Control arrangements operating within the authority. This is covered within the Audit Charter. The Charter defines audit's role in respect of any fraud related work
	k) Define the role of internal audit in any fraud-related work?	Y			The Charter specifies that internal audit should be notified of all suspected fraud. Internal Audit does not undertake any non Audit activities.
	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 and impropriety?	Y			These are also set out within the Annual Audit Plan
	m) Include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities?	Y			None undertaken
	n) Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?	Y			This report / self evaluation is the outset of the process to ensure that the Authority and the Internal Audit team complies with PSIAS. The audit Charter recognises the mandatory nature of the PSIAS
	o) Define the nature of consulting services?	Y			
	p) Recognise the mandatory nature of the PSIAS?	Y			

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	Does the chief audit executive (CAE) periodically review the internal audit charter and present it to senior management and the board for approval?	Y			previous terms of ref reviewed every two years and reported to the Audit Cttee Sept 11. Charter adopted Sept 13
	Does the CAE attend audit committee meetings?	Y			HOIC or deputy attend all meetings
	Does the CAE contribute to audit committee agendas?	Y			During the 2012/13 financial year the CAE presented regular progress reports and an annual report
3.2	1100 Independence and Objectivity				
	Does the CAE have direct and unrestricted access to senior management and the board?	Y			Rights of access are specified in the Constitution. The CAE reports directly to Audit Committee
	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?	Y			In Charter and Consortium legal agreement Also set out Constitution
	Are threats to objectivity identified and managed at the following levels: a) Individual auditor? b) Engagement?	Y			Declaration of Interests The CAE considers at the start of each audit if there are any threats to objectivity
	c) Functional?	Y			Internal Audit does not have any responsibilities for undertaking non audit duties. Appropriate rotation of staff is in place to ensure that objectivity is maintained.
	d) Organisation?	Y			The independence of the Internal Audit function is established by the Constitution
	1110 Organisational Independence				
	Does the CAE report to an organisational level equal or higher to the corporate management team?	Y			Routine reporting is to the Chief Financial Officers who are members of CMT. The Audit Committee has the rights of access directly to the Chief Executive. Regular reporting to the Audit Committee will be supplemented by qly reporting to SAMT (CMT).
LGAN	Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?	Y			See above
LGAN	Have reporting and management arrangements been put in place that preserve the CAE's independence and objectivity?	Y			Independence and Objectivity are protected by the Council's Constitution with direct routine reporting to the Audit Committee.

This is of particular importance when the CAE is line managed by another officer of the authority.

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LGAN	Does the CAE's position in the management structure: 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?	Y Y Y Y			The CAE is able to directly report to both the Audit Committee and to the Corporate Management Team including the Chief Executive. The CAE appears on a regular basis at the Audit Committee and has the status to ensure effective discussion of audit issues. The CAE is able to exercise this role and is supported by the Audit Committee and by the Council's Statutory Officers in undertaking this responsibility.
	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: The board: a) approves the internal audit charter b) approves the risk-based audit plan c) approves the internal audit budget and resource plan d) receives communications from the CAE on the activity's performance (in relation to the plan, for example) e) approves decisions relating to the appointment and removal of the CAE f) seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.	Y Y Y Y Y Y Y			This is considered in the review of the effectiveness of internal audit which is reported to Audit Committee at the end of each financial year. Sep-13 Mar-13 Joint Board Regular progress reports Joint Board. Specified in the Consortium's legal agreement Annual effectiveness of IA report
	Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?			N	Currently Head of Finance at Chesterfield
	Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?		P		Annual effectiveness of IA Report

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	<i>1111 Direct Interaction with the Board</i>				
	Does the CAE communicate and interact directly with the board?	Y			Regular reports to Audit Committee
	<i>1120 Individual Objectivity</i>				
	Do internal auditors have an impartial, unbiased attitude?	Y			
	Do internal auditors avoid any conflict of interest, whether apparent or actual?	Y			Complete Business Interest forms and reminded at team meetings
	<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 nature of the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)?	Y			There has not been any impairment of independence or objectivity either declared or discovered
	Have internal auditors assessed specific operations for which they have been responsible within the previous year?	Y			All staff have been in audit for many years None of the Internal Audit team has had operational responsibilities within the Council.
	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?	N/A			The CAE has no operational duties
LGAN	Are assignments for ongoing assurance engagements and other audit responsibilities rotated periodically within the internal audit team?	Y			Audit assignments are regularly rotated to ensure a fresh approach etc
LGAN	Have internal auditors declared interests in accordance with organisational requirements?	Y			Once a year
LGAN	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?	N/A			None received Offered

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LGAN	Have any instances been discovered where an internal auditor has used information obtained during the course of duties for personal gain?	Y			no instances discovered Management are not aware of any such incidents.

LGAN	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?	Y			All Auditors are aware via Code of Conduct and Audit Manual, professional Codes etc that this should be done
LGAN	Have internal auditors complied with the Bribery Act 2010?	Y			The Bribery Act is included within the Anti-Fraud and Corruption policy which all staff are aware of. It is a disciplinary offence not to comply with this.
	If there has been any real or apparent impairment or independence or objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted?	N/A			No consulting services have taken place
	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?	N/A			
3.3	1200 Proficiency and Due Professional Care				
	<i>1210 Proficiency</i>				
	Does the CAE hold a professional qualification, such as CMAA/CCAB or equivalent?	Y			In addition CAE actively participates in CPD
	Is the CAE suitably experienced?	Y			Many years experience The CAE has 17 years experience in an Internal Audit environment
LGAN	Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	Y			This is set out in the audit Charter and all recruitment has to be undertaken following HR processes.
LGAN	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?		P		Auditors job descriptions are currently being reviewed and updated

Ref	Conformance with the Standard	Y	P	N	Evidence
	Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	Y			training needs assessment undertaken June 13
	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?	Y			The CAE attends the Derbyshire Internal Audit forum on a regular basis allowing access through this network to a wide range of skills and experience. Where appropriate specialist support has been used previously and such support would be sought should a situation requiring it emerge. Have used DCC IT audit previously. Points of Practice have also been circulated around the Midlands audit group.
	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti fraud arrangements in the organisation?	Y			The auditors have many years experience. The fraud and corruption checklists are also used as guidance
	Do internal auditors have sufficient knowledge of key information technology risks and controls?	Y			CIPFA IT test schedules supported by CPD reading relevant articles/keeping up to date
	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?	Y			All auditors are experienced in picking samples etc
	<i>1220 Due Professional Care</i>				
	Do internal auditors exercise due professional care by considering the:				
	a) Extent of work needed to achieve the engagement's objectives?	Y			This is established when formulating test schedules time allocations All work is subject to review by a senior Manager which assesses the adequacy of the work undertaken. These requirements are incorporated in to the Test Schedules and into management review In developing the Audit Scope these issues are given appropriate consideration. This is considered as part of the Annual Audit Plan.
	b) Relative complexity, materiality or significance of matters to which assurance procedures are applied?	Y			
	c) Adequacy and effectiveness of governance, risk management and control processes?	Y			
	d) Probability of significant errors, fraud, or non-compliance?	Y			
	e) Cost of assurance in relation to potential benefits?	Y			

Ref	Conformance with the Standard	Y	P	N	Evidence
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	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?	Y				Liaison with client takes place including a request for formal feedback. The Audit Plan in establishing a time allocation for each audit specifically considers the risk and complexities of all planned work. This is based upon past experience and the requirements set out in the test standards. This is considered as part of the development of the Audit Plan.
	b) Relative complexity and extent of work needed to achieve the engagement's objectives?	Y				
	c) Cost of the consulting engagement in relation to potential benefits?	Y				
	<i>1230 Continuing Professional Development</i>					
LGAN	Has the CAE defined the skills and competencies for each level of auditor?	Y				Training needs assessment June 13 using CIPFA's the Excellent Auditor
LGAN	Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	Y				As above
	Do internal auditors undertake a programme of continuing professional development?	Y				All staff maintain a Learning and Development record and undertake relevant training where identified.
	Do internal auditors maintain a record of their professional development and training activities?	Y				via EPD documentation and each individual's Personal Development Log
3.4	1300 Quality Assurance and Improvement Programme					
	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?	Y				Completion of this checklist. All working papers are reviewed and individual performance considered as part of the edpr process. An improvement plan has been developed to address any identified compliance gaps
	Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?	Y				Action plan produced following completion of checklist
	Does the CAE maintain the QAIP?	Y				The CAE completes the self assessment and monitors progress against the improvement plan

Ref	Conformance with the Standard	Y	P	N	Evidence
LGAN	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)?	Y			This is undertaken on an annual basis as part of the June Audit Committee.01/06/2013
	<i>1310 Requirements of the Quality Assurance and Improvement Programme</i>				
	Does the QAIP include both internal and external assessments?	Y			Ongoing work is monitored all the time. An annual self assessment will be undertaken. External assessment to be within 5 years
	<i>1311 Internal Assessments</i>				
LGAN	Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	Y			More technical/complex work is allocated to Senior Auditors however all current staff have many years of experience
	Do internal assessments include ongoing monitoring of the internal audit activity, such as:				
	a) Routine quality monitoring processes?	Y			All work is reviewed by the HOIAC/Deputy head auditor and subject to formal feedback from the client department. A self assessment against this checklist will be undertaken on an annual basis. This requirement will be incorporated into the EDPR processes.
	b) Periodic assessments for evaluating conformance with the PSIAS?	Y			
LGAN	Does ongoing performance monitoring include comprehensive performance targets?	Y			The outcomes of performance monitoring are reported in the annual report
LGAN	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	Y			The Audit Plan is subject to consultation with both the Chief Financial Officer and the Audit Committee. Performance targets are within the Consortium's legal agreement.
LGAN	Does the CAE measure, monitor and report on progress against these targets?	Y			In annual report

LGAN	Does ongoing performance monitoring include obtaining stakeholder feedback?	Y			Customer satisfaction surveys, also CFO's Assessment of the Role of Internal Audit is undertaken on an annual basis.
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Ref	Conformance with the Standard	Y	P	N	Evidence
	Are the periodic self-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.	N/A			This is required to be undertaken within the next 5 years and the delivery of this piece of work will be the subject of consultation with the CFO and the Audit Committee. To be completed within the next 5 years
LGAN	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	Y			See Above To be completed within the next 5 years
	<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?	Y			No assessment has been carried out in the recent past but this approach has been considered as part of the Assessment of Internal Audit by the CFO and compensating controls have been identified. To be completed within the next 5 years
LGAN	Has the CAE considered the pros and cons for the different types of external assessment (i.e. 'full' or self-assessment plus 'independent validation')?	N/A			This will be considered in the light of experience of authorities who commission this work. Current intention is that independent assessment would be sought during year 3 of the 5 year period. To be undertaken in the next 5 years
	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?	N/A			See above To be undertaken in the next 5 years
LGAN	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?	N/A			See above To be undertaken in the next 5 years
	Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?	N/A			See above

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	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 (i.e. the public sector) d) industry (i.e. local government), and e) technical experience	N/A			To be undertaken in the next 5 years To be undertaken in the next 5 years To be undertaken in the next 5 years To be undertaken in the next 5 years To be undertaken in the next 5 years To be undertaken in the next 5 years
	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?	N/A			To be undertaken in the next 5 years
	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.	N/A			To be undertaken in the next 5 years
	<i>1320 Reporting on the Quality Assurance and Improvement Programme</i>				
	Has the CAE reported results of the QAIP to senior management and the board?	N/A			To be undertaken in the next 5 years
	Note the:				
	a) the results of both external and periodic internal assessment must be communicated upon completion	Y			Internal assessment to be reported in September 2013

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	b) the results of ongoing monitoring must be communicated at least annually	Y			Annual report June 2014
	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.	N/A			To be undertaken in the next 5 years

	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	N/A			Will be included in 2013/14 annual report
	1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'				
	Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	N/A			Will be included in 2013/14 annual report
	1322 Disclosure of Non-conformance				
	Has the CAE reported any instances of non-conformance with the PSIAS to the board?	Y			No instances have yet been identified
	Has the CAE considered including any significant deviations from the PSIAS in the governance statement and this has been evidenced?	N/A			This will be considered as part of the process for developing the Relevant for 2013/14 Governance statement
4	Performance Standards				
4.1	2000 Managing the Internal Audit Activity				
	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?	N/A			To be addressed in 2013/14 annual report
	Does the internal audit activity conform with the <i>Definition of Internal Auditing and the Standards</i> ?	Y			The PSIAS definition of internal audit and the PSIAS have been adopted in the Audit Charter.
	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> ?	Y			EDPR process will be reviewed to include assessment of compliance

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	Does the internal audit activity add value to the organisation and its stakeholders by				Independently assessed by CFO's Annual Assessment. Every report includes an audit opinion Every report includes an audit opinion which all contribute to the annual opinion
	a) Providing objective and relevant assurance?	Y			
	b) Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes?	Y			
	2010 Planning				
	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?	Y			undertaken as part of the process of preparing annual plan
	Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?	Y			Risk for all areas assessed. The main financial high risk areas are covered on an annual basis in order to be able to formulate an opinion
	Does the risk-based plan take into account the organisation's assurance framework?	Y			Risk for all areas is assessed
	Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of:				Audit plan and report presented to each audit committee Resources required quantified as part of Plan Improvement plan formulated re charter, previously undertaken for Code of Practice 2006 Plans discussed with CFO as client officer prior to approval by Audit Cttee
	a) How the internal audit service will be delivered?	Y			
	b) How the internal audit service will be developed in accordance with the internal audit charter?	Y			
	c) How the internal audit service links to organisational objectives and priorities?	Y			
	Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	Y			Plan identifies and risk assesses all areas of activity. Local, national and emerging issues are considered as identified. The plan is also discussed with each Chief Financial Officer
	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?	Y			Council's Risk Register reviewed when formulating plans

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	If such a risk management framework does not exist, has the CAE used his or her judgement or risks after input from senior management and the board and evidenced this?	N/A			The Council's have well developed risk management frameworks
LGAN	Does the risk-based plan set out the:				The audit Plan details individual audits. Audits are prioritised as high, medium or low in the plan which then determines the frequency of audit
	a) Audit work to be carried out?	Y			
	b) Respective priorities of those pieces of audit work?	Y			

					A number of days is allocated to each audit based on audit scope, known factors and previous experience
	c) Estimated resources needed for the work?	Y			
LGAN	Does the risk-based plan differentiate between audit and other types of work?	N/A			The Audit Plan is only concerned with audit work
LGAN	Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	Y			Contingency time is built into Plan. If necessary lower risk areas could be deferred
	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?	Y			The Plan would be adjusted should changed circumstances require that approach. Such an amendment to the Plan would be reported to the Audit Cttee.
	Is the internal audit activity's plan of engagements based on a documented risk assessment?	Y			Each area is risk assessed on a spreadsheet using the criteria - materiality, control environment/vulnerability/sensitivity/management concerns
	Is the risk assessment used to develop the plan of engagements undertaken at least annually?	Y			Done annually
LGAN	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)?	Y			These would be built into the work programme where necessary.
	b) The requirement to use specialists, e.g. IT or contract and procurement auditors?	Y			IT specialists would be used if required
	c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary?	Y			Contingency time is included in the Plan

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	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?	Y			Time included in plan
	Is the input of senior management and the board considered in the risk assessment process?	Y			Considered with Directors of Finance
	Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	Y			The Audit Plan is developed in consultation with the CFO and the Audit Cttee. Senior Mgt and other stakeholders are welcome to comment on the Plan.
	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?	Y			None proposed.
	Are consulting engagements that have been accepted included in the risk based plan?	N/A			None as yet
	<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?	Y			This is undertaken in the report to Audit Committee in March of each 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?	N/A			No significant changes to report
	Has the CAE communicated the impact of any resource limitations to senior management and the board?	Y			The Audit Plan is related to the level of resources available to deliver it.
	<i>2030 Resource Management</i>				
	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	Y			The level of resources was originally set by the Business case which established the Internal Audit Consortium. Resource levels have only been reduced marginally since the agreement to that Business Case. The level of resources is also monitored against the level available to other Derbyshire authorities.

Ref	Conformance with the Standard	Y	P	N	Evidence
LGAN	Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise abortive work and time?	Y			Resource deployment is largely governed by the Plan and the requirements of Audit. There is, however, some limited flexibility around the actual deployment.
LGAN	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?	N/A			If there was a problem this would be brought to the attention of the Joint 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.	N/A			As above
	<i>2040 Policies and Procedures</i>				
	Has the CAE developed and put into place policies and procedures to guide the internal audit activity?	Y			Internal Audit manual
LGAN	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.		P		Audit manual to be updated to reflect PSIAS
LGAN	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	Y			The Audit manual is reviewed as required. Staff are asked at team meetings if they are aware of any updates required.
	<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?	Y			The whole of the internal audit plan is undertaken by the internal audit team
LGAN	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	N/A			

Ref	Conformance with the Standard	Y	P	N	Evidence
	Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?	Y			Midlands audit group and Derbyshire audit group
LGAN	Does the CAE meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans?	Y			Periodic meetings as required
	<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?	Y			Terms of ref now replaced by Charter. Regular progress reports to Audit Cttee.
	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?	Y			Included in Progress reports
	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?	Y			In part dependent upon dates of Audit Cttee with reports on a regular basis.
	<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 an effective internal audit activity remains with the organisation?	N/A			

Ref	Conformance with the Standard	Y	P	N	Evidence
4.2	<i>2100 Nature of work</i>				
	Does the internal audit activity evaluate and contribute to the improvement of the organisation's governance, risk management and internal control processes?	Y			Recommendations are made where improvements/weaknesses are identified
	<i>2110 Governance</i>				
	Does the internal audit activity:				
	a) Promote appropriate ethics and values within the organisation?	Y			addressing inappropriate behaviour
	b) Ensure effective organisational performance management and accountability?	Y			These are assessed as part of Internal Audit work.
	c) Communicate risk and control information to appropriate areas of the organisation?	Y			All work results in a report to management.
	d) Coordinate the activities of and communicate information among the board, external and internal auditors and management?	Y			The work of internal audit is appropriately distributed amongst the various stakeholders.
	Does the internal audit activity assess and make appropriate recommendations for improving the governance process as part of accomplishing the above objectives?	Y			Part of Annual Governance Statement working party
	Has the internal audit activity evaluated the:				
	a) design	Y			Business interest forms
	b) implementation, and	Y			Gifts and hospitality
	c) effectiveness of the organisation's ethics-related objectives, programmes and activities?	Y			Codes of Conduct
	Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	Y			Review of policies/procedures/business continuity

Ref	Conformance with the Standard	Y	P	N	Evidence
LGAN	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?	Y			IT Governance is included within the Audit Plan as part of the Risk Assessment process
	2120 Risk Management				
	Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that:				
	a) Organisational objectives support and align with the organisation's mission?	Y			Regular risk management audit
	b) Significant risks are identified and assessed?	Y			Strategic risk registers are reviewed by Int Audit.
	c) Appropriate risk responses are selected that align risks with the organisation's risk appetite?	Y			Risk mitigation
	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?	Y			Risk management strategy
	Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the:				
	a) Achievement of the organisation's strategic objectives?	Y			Code of Corp Gov/AGS
	b) Reliability and integrity of financial and operational information?	Y			systems reviews
	c) Effectiveness and efficiency of operations and programmes?	Y			systems reviews
	d) Safeguarding of assets?	Y			systems reviews
	e) Compliance with laws, regulations, policies, procedures and contracts?	Y			systems reviews
	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	Y			Protecting the Public Purse checklist completed and associated Action Plan developed. Fraud modules completed as part of main system reviews.

Ref	Conformance with the Standard	Y	P	N	Evidence
	Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	N/A			
	Are internal auditors alert to their significant risks when undertaking consulting engagements?	N/A			
	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?	Y			Internal Audit do not undertake any routine management responsibilities or consulting engagements.
	2130 Control				
	Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisations governance, operations and information systems regarding the:				
	a) Achievement of the organisation's strategic objectives?	Y			Corporate targets review.
	b) Reliability and integrity of financial and operational information?	Y			Involvement in production of the annual governance statement and review of the corporate code of governance
	c) Effectiveness and efficiency of operations and programmes?	Y			System audits
	d) Safeguarding of assets?	Y			System audits
	e) Compliance with laws, regulations, policies, procedures and contracts?	Y			System audits
	Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	Y			System audits
4.3	2200 Engagement Planning				
	Do internal auditors develop and document a plan for each engagement?	Y			Test schedules
	Does the engagement plan include the engagement's:	Y			Audit Brief prepared and agreed prior to audit.
	a) Objectives?				

Ref	Conformance with the Standard	Y	P	N	Evidence
	b) Scope?	Y			Audit brief defines the scope
	c) Timing?	Y			Audit brief gives the timing of the audit
	d) Resource allocations?	Y			Audit brief states the number of days allocated to the audit
	Do internal auditors consider the following in planning an engagement, and is this documented:				
	a) The objectives of the activity being reviewed?	Y			This is considered at the start of the audit
	b) The means by which the activity controls its performance?	Y			Working practices are examined during the audit
	c) The significant risks of the activity being audited?	Y			This is considered when formulating the test schedule

d) The activity's resources?	Y			Budgets and budget monitoring are covered during audits
e) The activity's operations?	Y			The areas service plan is referred to when developing the test schedule
f) The means by which the potential impact of risk is kept to an acceptable level?	Y			Covered during testing there is also a separate risk management audit
g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?	Y			Covered during testing and risk management audit
h) The opportunities for making significant improvements to the activity's governance, risk management and control processes?	Y			Considered during testing and any identified opportunities would be reported.
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?	N/A			

Ref	Conformance with the Standard	Y	P	N	Evidence
	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)?				
	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?	N/A			
	For significant consulting engagements, has this understanding been documented?	N/A			
	<i>2210 Engagement Objectives</i>				
	Have objectives been agreed for each engagement?	Y			The scope is agreed for all audits
	Have internal auditors carried out a preliminary risk assessment of the activity under review?	Y			Test schedule covers key areas and risk has been considered when setting tests
	Do the engagement activities reflect the results of the preliminary risk assessment that has been carried out?	Y			More time is spent on high risk areas
	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?	Y Y Y Y			Reflected in time allocation Reflected in time allocation Reflected in time allocation Reflected in time allocation

Ref	Conformance with the Standard	Y	P	N	Evidence
	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?	Y			Service plans, corporate targets
	If the criteria have been deemed adequate, have the internal auditors used the criteria in their evaluation of governance risk management and controls?	Y			Audis are undertaken in the light of the objectives of the service.
	If the criteria have been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	Y			Adequate criteria have been developed.
LGAN	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?	Y			The way a service operates is compared between all 3 Council's and best practice shared
	Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	N/A			
	Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	N/A			
	<i>2220 Engagement Scope</i>				
	Is the scope that is established for the engagement sufficient to satisfy the engagement's objectives?	N/A			No consulting activities as yet
	Does the engagement scope include consideration of the following relevant areas of the organisation: a) Systems? b) Records? c) Personnel? d) Premises?	N/A N/A N/A N/A			No consulting activities as yet No consulting activities as yet No consulting activities as yet No consulting activities as yet N/A

Ref	Conformance with the Standard	Y	P	N	Evidence
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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?	N/A N/A N/A N/A				No consulting activities as yet No consulting activities as yet No consulting activities as yet No consulting activities as yet
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?	N/A				No consulting activities as yet
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?	N/A				No consulting activities as yet
For a consulting engagement, was the scope of the engagement sufficient to address any agreed-upon objectives?	N/A				No consulting activities as yet
If the internal auditors developed any reservations about the scope of a consulting engagement while undertaking the engagement, did they discuss those reservations with the client and therefore determine whether or not to continue with the engagement?	N/A				No consulting activities as yet
During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	N/A				No consulting activities as yet
During consulting engagements, were internal auditors alert to any significant control issues?	N/A				No consulting activities as yet

Ref	Conformance with the Standard	Y	P	N	Evidence
	2230 Engagement Resource Allocation				
	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?	Y Y Y			Reflected in time allocation Timing of audit is discussed with auditee High risk areas are prioritised
	2240 Engagement Work Programme				
	Have internal auditors developed and documented work programmes that achieve the engagement objectives?	Y			test schedules are in place for every audit
	Do the engagement work programmes include the following procedures for: a) Identifying information? b) Analysing information? c) Evaluating information? d) Documenting information?	Y Y Y Y			This is identified in the test and previous working papers The testing schedule establishes what needs doing Information is evaluated to reach an audit opinion on each test All working papers follow a standard format to ensure that information is properly documented and referenced
	Were work programmes approved prior to implementation for each engagement?	Y			At start of audit
	Were any adjustments required to work programmes approved promptly?	Y			If any adjustments are identified these are made during the audit
4.4	2300 Performing the Engagement				
	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?	Y Y Y			The information/testing required is defined in the testing schedule As above As above

Ref	Conformance with the Standard	Y	P	N	Evidence
	d) Document sufficient information?	Y			As above
	2310 Identifying Information				
	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?	Y Y Y Y			Information is identified during testing and this is recorded on standardised working papers The source of information is considered The relevance and usefulness of the information is assessed during testing As above
	2320 Analysis and Evaluation				
	Have internal auditors based their conclusions and engagement results on appropriate analyses and evaluations?	Y			Conclusions and results feed through from the working papers and the testing undertaken

LGAN	Have internal auditors remained alert to the possibility of the following: a) intentional wrongdoing b) errors and omissions c) poor value for money d) failure to comply with management policy, and e) conflicts of interest when performing their individual audits, and has this been documented?	Y Y Y Y Y Y				Auditors are aware to assess this possibility if areas of concern are identified As above This would be reported if identified This would be reported if identified This would be reported if identified This would be documented on the standardised audit working papers
	<i>2330 Documenting Information</i>					
	Have internal auditors documented the relevant information required to support engagement conclusions and results?	Y				All testing is documented on standardised working papers

Ref	Conformance with the Standard	Y	P	N	Evidence
LGAN	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?	Y			Working Papers are reviewed by Audit Management to ensure quality and consistency. All testing and findings are documented on standardised working papers.
	Does the CAE control access to engagement records?	Y			The CAE or Senior auditors would issue audit briefs
	Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?	Y			FOI request was run by DP and FOI Officer, Legal and Chief financial Officer before anything was released.
	Has the CAE developed and implemented retention requirements for all types of engagement records?		P		Included in audit manual but further emphasis required to ensure complied with
	Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	Y			The Council has a Policy in place which complies with good practice. Internal Audit are compliant with these requirements
	<i>2340 Engagement Supervision</i>				
	Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	Y			Appropriate staff are selected to deliver each audit. Development needs are considered as part of
	Is appropriate evidence of supervision documented and retained for each engagement?	Y			Working papers are signed off and review points answered
4.5	2400 Communicating Results				
	Do internal auditors communicate the results of engagements?	Y			Close out meetings, with summary exports to senior management and Audit Cttee.
	<i>2410 Criteria for Communicating</i>				
	Do the communications of engagement results include the following: a) The engagement's objectives? b) The scope of the engagement? c) Applicable conclusions?	Y Y Y			The scope is discussed with relevant stakeholders See above. These are discussed and agreed with service.

Ref	Conformance with the Standard	Y	P	N	Evidence
	d) Recommendations and action plans, if appropriate?	Y			See above
LGAN	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?	Y			See above
LGAN	If recommendations and an action plan have been included, are recommendations prioritised according to risk?	Y			Recommendations are classified as H, M, L.
LGAN	If recommendations and an action plan have been included, does the communication also state agreements already reached with management together with appropriate timescales?	Y			Completed by Auditee after audit completed and returned to IA
LGAN	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?	Y			Finance if high priority and reported to Audit Cttee if considered appropriate.
LGAN	Do communications disclose all material facts known to them in their audit reports which, if not disclose, could distort their reports or conceal unlawful practice, subject to confidentiality requirements?	Y			Appropriate Management reporting is in place to ensure effective action is taken.
LGAN	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?	Y			Each report includes an audit opinion
	When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	Y			Audit Opinions are reported to senior Management and to the Audit Committee.
	When an opinion or conclusion is issued, is it supported by sufficient, reliable, relevant and useful information?	Y			Working Papers are available to support conclusions which will be discussed with auditees.

	Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	Y			Where Audit work indicates robust management arrangements the audit report is assessed accordingly.
Ref	Conformance with the Standard	Y	P	N	Evidence
	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?	Y			FOI requests - data redacted where appropriate
LGAN	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?	N/A			
	2420 Quality of Communications				
	Are communications:				
	a) Accurate?	Y			Customer Satisfaction surveys
	b) Objective?	Y			See Above
	c) Clear?	Y			See Above
	d) Concise?	Y			See Above
	e) Constructive?	Y			See Above
	f) Complete?	Y			See Above
	g) Timely?	Y			See Above
	2421 Errors and Omissions				
	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?	Y			If a significant error was identified a revised report would be issued to all parties
	2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'				
	Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?	Y			This will be stated in the annual report if the QAIP supports the statement

Ref	Conformance with the Standard	Y	P	N	Evidence
	2431 Engagement Disclosure of Non-conformance				
	Where any non-conformance with the PSIAS has impacted on specific engagement, do the communication of results disclose the following:				
	a) The principle or rule of conduct of the <i>Code of Ethics or Standard(s)</i> with which full conformance was not achieved?	Y			No areas of non compliance identified
	b) The reason(s) for non-conformance?	Y			No areas of non compliance identified
	c) The impact of non-conformance on the engagement and the engagement results?	Y			No areas of non compliance identified
	2440 Disseminating Results				
	Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	Y			The circulation of audit reports has been agreed with the Chief Financial Officer and Directors/Heads of Service
	Has the CAE communicated engagement results to all appropriate parties?	Y			Reports are issued to all identified relevant parties
	Before releasing engagement results to parties outside the organisation, did the CAE:				
	a) Assess the potential risk to the organisation?	Y			Results would not be released without a full assessment and consulting the Chief Financial Officer and Legal/ DP Officer
	b) Consult with senior management and/or legal counsel as appropriate?	Y			This would be done Redaction would be used where appropriate
	c) Control dissemination by restricting the use of the results?	Y			
	Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	Y			No consulting engagements undertaken as yet
	2450 Overall Opinion				
	Has the CAE delivered an annual internal audit opinion?	Y			Included within Annual Report provided to Audit Cttee in June of each year.

Ref	Conformance with the Standard	Y	P	N	Evidence
	Does the annual internal opinion conclude on the overall adequacy and effectiveness of the organisations framework of governance, risk management and control?	Y			See Annual Report June 2013
	Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	Y			See Annual Report June 2013
	is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information?	Y			See Annual Report June 2013 This is supported by all the work undertaken during the year
	Does the communication identify the following:				

	a) The scope of the opinion, including the time period to which the opinion relates?	Y			See Annual Report June 2013. The scope of the opinion covers the whole control environment
	b) Any scope limitations?	Y			See Annual Report June 2013. There were no limitations placed on scope
	c) The consideration of all related projects including the reliance on other assurance providers?	Y			See Annual Report June 2013. No other assurance providers were used
	d) The risk or control framework or other criteria used as a basis for the overall opinion?	Y			See Annual Report June 2013. The plan is formulated on a risk basis
	Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	Y			The reasons would be stated as part of the opinion
	Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?	Y			The internal audit annual report is taken in to account by the governance statement working group
	Does the annual report incorporate the following:				
LGAN	a) The annual internal audit opinion?	Y			See Annual Report June 2013
LGAN	b) A summary of the work that supports the opinion?	Y			See Annual Report June 2013
LGAN	c) A disclosure of any qualifications to the opinion?	Y			See Annual Report June 2013
LGAN	d) The reasons for any qualifications to the opinion?	Y			See Annual Report June 2013

Ref	Conformance with the Standard	Y	P	N	Evidence
LGAN	e) A disclosure of any impairments or restrictions in scope?	N/A			
LGAN	f) A comparison of work actually carried out with the work planned?	Y			annual report To be introduced in 2013/14. There has been a previous statement of conformance with the 2006 CIPFA Code of Practice.
LGAN	g) A statement on conformance with the PSIAS?	N/A			To be introduced in 2013/14
LGAN	h) The results of the QAIP?	N/A			
LGAN	i) Progress against any improvement plans resulting from the QAIP?	N/A			To be introduced in 2013/14
LGAN	j) A summary of the performance of the internal audit activity against its performance measures and targets?	Y			This is included in the annual report
	k) Any other issues that the CAE judges is relevant to the preparation of the governance statement?	Y			This would be included in the audit opinion within the annual report
4.6	2500 Monitoring Progress				
	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?		P		In the process of being established
	Where issues have been identified during the follow-up process, has the CAE considered revising the internal audit opinion?	Y			Where a follow up review has taken place an opinion is issued at the end of this.
	Do the results of monitoring management actions inform the risk-based planning of future audit work?	Y			Frequency would be increased if action not taken/poor report
	Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	N/A			
4.7	2600 Communicating the Acceptance of Risks				
	If the CAE has concluded that management has accepted the level of risk that may be unacceptable to the organisation, has he or she discussed the matter with senior management?	Y			Would be discussed with the Director of Resources

Ref	Conformance with the Standard	Y	P	N	Evidence
	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?	Y			If that situation arose it would be communicated to the Chief Executive and the Audit Cttee.