

# Internal Audit Standards Self - Assessment Compliance Checklist

## **Sevenoaks District Council**

# Internal Audit Standards Self - Assessment Compliance Checklist

**Generally Conforms** means the evaluator has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual *Standard* or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual *Standards* or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must not represent situations where the activity has not implemented the *Standards* or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, successful practice, etc.

**Partially Conforms** means the evaluator has concluded that the activity is making good-faith efforts to comply with the requirements of the individual *Standard* or element of the Code of Ethics, section, or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the *Standards* or Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the activity and may result in recommendations to senior management or the board of the organisation.

**Does Not Conform** means the evaluator has concluded that the activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many/all of the objectives of the individual *Standard* or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board. Often, the most difficult evaluation is the distinction between general and partial. It is a judgment call keeping in mind the definition of general conformance above. Carefully read the *Standard* to determine if basic conformance exists. The existence of opportunities for improvement, better alternatives, or other successful practices do not reduce a generally conforms rating.

## Internal Audit Standards Self - Assessment Compliance Checklist

		Generally Conforms	Partially Conforms	Does Not Conform
	<b>Definition of Internal Auditing</b>			
<b>Reference</b>	<b>Code of Ethics</b>			
1	Integrity	√		
2	Objectivity		√	
3	Confidentiality	√		
4	Competence	√		
<b>Reference</b>	<b>Attribute Standards</b>			
1000	Purpose, Authority and Responsibility	√		
1010	Recognising Mandatory Guidance in the Internal Audit Charter	√		
1100	Independence and Objectivity	√		
1110	Organisational Independence	√		
1111	Direct Interaction with the Board	√		
1112	Chief Audit Executive Roles Beyond Internal Auditing	√		
1120	Individual Objectivity	√		

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		Generally Conforms	Partially Conforms	Does Not Conform
1130	Impairments to Independence or Objectivity	√		
1200	Proficiency and Due Professional Care (The sum of <i>Standards</i> 1210-1230)	√		
1210	Proficiency		√	
1220	Due Professional Care		√	
1230	Continuing Professional Development	√		
1300	Quality Assurance and Improvement Programme (The sum of <i>Standards</i> 1310-1320)		√	
1310	Requirements of the Quality Assurance and Improvement Programme	√		
1311	Internal Assessments	√		
1312	External Assessments	√		
1320	Reporting on the Quality Assurance and Improvement Programme		√	
1321	Use of Conforms with the International Standards for the Professional Practice of Internal Auditing	√		
1322	Disclosure of Non-conformance	√		
<b>Reference</b>	<b>Performance Standards</b>			
2000	Managing the Internal Audit Activity (Sum total of <i>Standards</i> 2010 – 2060)	√		

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		Generally Conforms	Partially Conforms	Does Not Conform
2010	Planning	√		
2020	Communication and Approval	√		
2030	Resource Management	√		
2040	Policies and Procedures		√	
2050	Coordination and Reliance	√		
2060	Reporting to Senior Management and the Board	√		
2070	External Service Provider and Organisational Responsibility for Internal Audit	N/A		
2100	Nature of Work (Sum of <i>Standards</i> 2110 – 2130)	√		
2110	Governance	√		
2120	Risk Management	√		
2130	Control	√		
2200	Engagement Planning (Sum of <i>Standards</i> 2201-2240)	√		
2201	Planning Considerations	√		
2210	Engagement Objectives	√		

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		Generally Conforms	Partially Conforms	Does Not Conform
2220	Engagement Scope	√		
2230	Engagement Resource Allocation	√		
2240	Engagement Work Programme	√		
2300	Performing the Engagement (The sum of <i>Standards</i> 2300-2340)	√		
2310	Identifying Information	√		
2320	Analysis and Evaluation	√		
2330	Documenting Information	√		
2340	Engagement Supervision	√		
2400	Communicating Results (Sum of <i>Standards</i> 2410-2440)	√		
2410	Criteria for Communicating	√		
2420	Quality of Communications	√		
2421	Errors and Omissions	√		
2431	Engagement Disclosure of Non-conformance	√		
2440	Disseminating Results	√		

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		Generally Conforms	Partially Conforms	Does Not Conform
2450	Overall Opinions	√		
2500	Monitoring Progress	√		
2600	Resolution of Senior Management s Acceptance of Risks	√		

## Internal Audit Standards Self - Assessment Compliance Checklist

Definition of Internal Auditing & Code of Ethics	Key conformance criteria	Evidence of Compliance	Comment
<b>Definition of internal auditing</b>			
Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.	<p>There are key areas with the International Standards that will help to decide whether or not internal audit meets the definition of internal auditing. These are:</p> <p>Attribute Standards 1010, 1100, 1110 and 1130 Performance Standards 2010 and the 2100 series.</p> <p>However, an important aspect is the extent to which internal audit helps the organisation to achieve its objective and improve:</p> <ul style="list-style-type: none"> <li>• The internal audit plan and the work of internal audit must focus on the things that matter to the organisation.</li> <li>• The opinions and recommendations that internal audit provide must help the organisation and be valued by stakeholders</li> </ul>	<p>Audit planning processes included review of operational and strategic risks, taking into account risks to corporate objectives.</p> <p>Recommendations are followed up with management and on the whole are promptly implemented.</p>	
<b>Definition of internal auditing Conformance Assessment</b>		<b>Generally Conforms</b>	



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Definition of Internal Auditing & Code of Ethics	Key conformance criteria	Evidence of Compliance	Comment
1. Integrity			
<p>The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.</p> <p><b>Rules of Conduct - Internal auditors:</b></p> <p>1.1 Shall perform their work with honesty, diligence and responsibility.</p> <p>1.2 Shall observe the law and make disclosures expected by the law and the profession.</p> <p>1.3 Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organisation.</p> <p>1.4 Shall respect and contribute to the legitimate and ethical objectives of the organisation.</p>	<p>Internal audit has:</p> <ul style="list-style-type: none"><li>• A high profile within the organisation.</li><li>• A reputation for honesty, fair dealing and truthfulness – behaves with integrity.</li><li>• Resilience and determination – is persistent when required.</li><li>• High standards for doing their job and maintains these in practice.</li><li>• Involvement in reviewing and developing ethical behaviour in the organisation.</li></ul>	<p>The CAE reports to the Chief Finance Officer (S151) for administrative purposes and holds monthly meetings with the Audit Chair. The Chief Executive also meets with the CAE on a regular basis to discuss internal control matters.</p> <p>All auditors are required to comply with PSIAS and understand their responsibilities in ensuring that the audit function maintains its independence and ethical behaviour.</p> <p>All internal Audit Staff complete an annual declaration of interest form</p>	
Integrity Conformance Assessment		Generally Conforms	
2. Objectivity			
<p>Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined.</p> <p>Internal auditors make a balanced assessment of all the relevant</p>	<p>Individual objectivity, which includes an interpretation of ‘conflict of interest’, is set out within Attribute Standards 1120 and 1130. Compliance with these Attribute Standards will generally result in compliance with the Rules of Conduct.</p>	<p>As above an annual declaration of interest form is completed by all staff.</p> <p>The CAE is able to raise concerns with the Chief Executive and/or Audit Chair &amp; External Auditors.</p>	<p>To update the Charter to build in safeguards where auditor objectivity comes in to question.</p>

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Definition of Internal Auditing & Code of Ethics	Key conformance criteria	Evidence of Compliance	Comment
circumstances and are not unduly influenced by their own interests or by others in forming judgements. <b>Rules of Conduct - Internal auditors:</b> 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organisation. 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgement. 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.	Internal audit is free from any bias or conflict of interest that would undermine or question their judgement – either in reality or perception		
<b>Objectivity Conformance Assessment</b>		<b>Partially Conforms</b>	
<b>3. Confidentiality</b>			
Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so. <b>Rules of Conduct - Internal auditors:</b>	Confidentiality relating to internal audit work is set out within Performance Standard 2330 and compliance with this will generally result in compliance with the Rules of Conduct.  Security and protection of information should be subject to daily routine and	There have been no breaches of confidentiality.  The audit team are fully aware of their responsibilities in this area.  Electronic data is securely stored with controlled access by the Audit Team.	

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Definition of Internal Auditing & Code of Ethics	Key conformance criteria	Evidence of Compliance	Comment
3.1 Shall be prudent in the use and protection of information acquired in the course of their duties. 3.2 Shall not use 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.	safeguards. Potential and actual breaches in confidentiality should be taken seriously and acted upon accordingly.		
Confidentiality IIA Conformance Assessment		Generally Conforms	
4. Competency			
Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services. <b>Rules of Conduct - Internal auditors:</b> 4.1 Shall engage only in those services for which they have the necessary knowledge, skills and experience. 4.2 Shall perform internal auditing services in accordance with the International Standards for the Professional Practice of Internal Auditing. 4.3 Shall continually improve their proficiency and the effectiveness and quality of their services.	Competency is covered by the 1200 series of the Attribute Standards and compliance with these will generally result in compliance with the Rules of Conduct.  Overall there should be a culture of continuous improvement, a commitment to staff retention and development, an appreciation of the PSIAS among staff and assignment of work based on competency.	The team is made up of generic auditors working at a Senior Level.  All auditors are part qualified accountants or auditors with several years of auditing experience between them.  The CAE is a Chartered Management Accountant with 5 years internal audit experience.  Any gaps in knowledge are addressed in the annual appraisal process and appropriate training courses are identified.	

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Definition of Internal Auditing & Code of Ethics	Key conformance criteria	Evidence of Compliance	Comment
		The audit team are aware of the PSIAS 2016.	
Competency IIA Conformance Assessment		Generally Conforms	

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Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<b>1000 Purpose, Authority, and Responsibility</b>			
<p>The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing). The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.</p> <p><b>Interpretation:</b></p> <p>The internal audit charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation, including the nature of the chief audit executive's functional reporting relationship with the board; authorises</p>	<p>The internal audit (IA) activity has a formal definition of its purpose, authority and responsibility, which recognises the IIA definition of IA. Whatever document provides the formal definition will be the "internal audit charter" for the purposes of the standards - no matter what the document is actually called. The charter:</p> <ul style="list-style-type: none"> <li>Establishes the position and reporting lines of IA within the organisation - both functional and administrative reporting lines.</li> <li>Provides IA with unrestricted access to records, personnel, and physical properties relevant to the performance of engagements.</li> <li>Sets the tone for IA activities and interaction with the board.</li> <li>Defines the nature and scope of activities to be performed by IA – assurance, and consultancy engagements.</li> <li>Sets out the nature and scope of IA assurance provided to parties outside the organisation.</li> </ul>	<p>The Terms of Reference are detailed in the internal audit services Charter. The Charter was reviewed and approved by the Audit Committee in 2016.</p> <p>IA does have unrestricted access to records and audit briefs are drafted independent of management.</p>	<p>As above in section 2 Objectivity, safeguards need to be added to the Charter to avoid impairment/objectivity issues. CHECK</p>

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<p>access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board.</p> <p>1000. A1 The nature of assurance services provided to the organisation must be defined in the internal audit charter. If assurances are to be provided to parties outside the organisation, the nature of these assurances must also be defined in the internal audit charter.</p> <p>1000. C1 The nature of consulting services must be defined in the internal audit charter.</p>	<ul style="list-style-type: none"> <li>Is approved by the board. The charter is kept up to date by:</li> <li>Periodic review, which involves consultation with the senior management and the board.</li> <li>Incorporating changes in the Public Sector Internal Audit Standards (PSIAS) as and when they occur.</li> </ul>		
<b>1000 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
1010 Recognising Mandatory Guidance in the Internal Audit Charter			
The mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing, must be recognised in the internal audit charter.	The charter includes reference to the mandatory nature of <i>the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the International Standards.</i>	See Charter (Paragraphs 1&2)	

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The chief audit executive should discuss the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework with senior management and the board.	<p>The charter makes a formal commitment to the Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, and the International Standards.</p> <p>There is a record of discussions with senior management and the board regarding the mandatory aspects of the PSIAS and the extent of the commitment to them e.g. within minutes of the board or other formal record</p>		
1010 - IIA Conformance Assessment		Generally Conforms	
1100 Independence and Objectivity			
<p>The internal audit activity must be independent, and internal auditors must be objective in performing their work.</p> <p><b>Interpretation:</b></p> <p>Independence is the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to</p>	<p>The board review and approve the:</p> <ul style="list-style-type: none"><li>Internal audit charter</li><li>Risk based internal audit plan</li><li>Performance against the plan</li><li>The appointment and removal of CAE</li><li>Any restrictions on scope and or resources.</li></ul> <p>The internal audit charter and planning documents – such as IA strategy, annual IA plan and business plans- do not</p>	<p>See Charter, internal audit plan and quarterly audit committee reporting.</p> <p>The internal audit plan is compiled by the CAE independent of management using a risk based audit needs analysis approach.</p> <p>All audit plans / changes to plans are approved by the audit committee.</p>	

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Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<p>effectively carry out the responsibilities of the internal audit activity, the chief audit executive has direct and unrestricted access to senior management and the board. This can be achieved through a dual-reporting relationship. Threats to independence must be managed at the individual auditor, engagement, functional, and organisational levels.</p> <p>Objectivity is an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others. Threats to objectivity must be managed at the individual auditor, engagement, functional, and organisational levels.</p>	<p>contain major restrictions upon IA activity.</p> <p>IA plans are consistent with the scope, authority and responsibility of the IA activity set out in the internal audit charter.</p> <p>IA plans account for all of the resources and time available to IA.</p> <p>IA does not have responsibility for the management of operations within the organisation.</p> <p>IA role and relationship with regard to other assurance providers, inside and outside the organisation is established and documented.</p> <p>The justification for the use of internal audit contingency time is recorded and reported to the board.</p>		
1100 - IIA Conformance Assessment		Generally Conforms	
1110 Organisational Independence			
The chief audit executive must report to a level within the organisation that	The chief audit executive reports to a level in the organisation that is	As stated above the CAE reports to the CFO at SDC with access to the Chief	



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<p>allows the internal audit activity to fulfil its responsibilities.</p> <p>The chief audit executive must confirm to the board, at least annually, the organisational independence of the internal audit activity.</p> <p><b>Interpretation:</b></p> <p>Organisational independence is effectively achieved when the chief audit executive reports functionally to the board. Examples of functional reporting to the board involve the board:</p> <ul style="list-style-type: none"> <li>• approving the internal audit charter,</li> <li>• approving the risk based internal audit plan,</li> <li>• approving the internal audit budget and resource plan,</li> <li>• receiving communications from the chief audit executive on the internal audit activity's performance relative to its plan and other matters,</li> </ul>	<p>adequate to discharge his or her responsibilities – to the board functionally and the CEO administratively.</p> <p>To apply functional reporting the board typically:</p> <ul style="list-style-type: none"> <li>• Approves the IA Charter, IA risk assessment and related IA plan.</li> <li>• Receives the results of IA activities, performance and other matters that the CAE determines are necessary,</li> <li>• Hold private meetings with the CAE.</li> <li>• Receives annual confirmation of IA's organisational independence.</li> <li>• Approves decisions regarding the performance evaluation, appointment, or removal of the CAE.</li> <li>• Approve the IA strategy, plan and budget.</li> <li>• Makes appropriate inquiries of senior management and the CAE to determine whether there is audit scope or budgetary limitations that impede the ability</li> </ul>	<p>Executive and Audit Chair. The CAE reports quarterly to the Audit Committee.</p> <p>The Audit Committee approves and oversees all internal audit work.</p> <p>The CAE attends Strategic Management Team on a quarterly basis.</p>	

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Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<ul style="list-style-type: none"> <li>• approving decisions regarding the appointment and removal of the chief audit executive,</li> <li>• approving the remuneration of the chief audit executive, and</li> <li>• making appropriate enquiries of management and the chief audit executive to determine whether there are inappropriate scope or resource limitations.</li> </ul> <p>1110.A1 The internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results. The chief audit executive must disclose such interference to the board and discuss the implications</p>	<p>of the IA activity to execute its responsibilities.</p> <p>To apply administrative reporting the CEO ensures:</p> <ul style="list-style-type: none"> <li>• The preparation on an annual budget and appropriate budgetary control.</li> <li>• Human resource administration, including personnel evaluations and compensation.</li> <li>• Internal communications and information flows.</li> </ul>		
<b>1110 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
<b>1111 Direct Interaction with the Board</b>			
<p>The chief audit executive must communicate and interact directly with the board.</p>	<p>CAE regularly attends board meetings, reporting upon IA plans and activities.</p> <p>CAE is given the opportunity to understand the way the board conducts its oversight of governance, risk management and control.</p>	<p>Included in Charter, and as stated above CAE meets quarterly with the Strategic Management Team. The CAE is a member of the Risk Management Working Group.</p>	

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Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
	<p>One to one sessions between the CAE and the board are planned into the annual timetable, either as part of the annual schedule of meetings or through the agreed working relationship between CAE and chair of the board.</p> <p>This occurs at least annually.</p>		
<b>1111 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
<b>1112 Chief Audit Executive Roles Beyond Internal Auditing</b>			
<p>Where the chief audit executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards must be in place to limit impairments to independence or objectivity.</p> <p>Interpretation:</p> <p>The chief audit executive may be asked to take on additional roles and responsibilities outside of internal auditing, such as responsibility for compliance or risk management activities.</p>	<p>Full disclosure in the IA Charter of any management responsibilities that the Chief Audit Executive holds.</p> <p>Conflicts of interest are identified and recorded in the terms of reference for audit assignments and referenced in the report.</p> <p>The CAE has relinquished some of their audit direct line management for specific audits with regard to reviewing files and reports, other team members leading on reviews where the CAE has operational responsibility.</p>	<p>There are no conflicts of interest. The CAE does not manage any other function of the Council.</p>	

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Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<p>These roles and responsibilities may impair, or appear to impair, the organizational independence of the internal audit activity or the individual objectivity of the internal auditor.</p> <p>Safeguards are those oversight activities, often undertaken by the board, to address these potential impairments, and may include such activities as periodically evaluating reporting lines and responsibilities and developing alternative processes to obtain assurance related to the areas of additional responsibility.</p>	<p>The Senior Auditor/Audit Manager reports directly to a party external to the CAE for audits that are under the control or direct influence of the CAE.</p> <p>Contracted, third-party entity or external auditors are used to complete audits of those areas reporting to the CAE.</p>		
<b>1120 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
<b>1120 Individual Objectivity</b>			
<p>Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest.</p> <p><b>Interpretation:</b></p> <p>Conflict of interest is a situation in which an internal auditor, who is in a position of trust, has a competing professional or personal interest. Such competing interests can make it difficult</p>	<p>Information relating to internal auditors includes responsibilities held prior to appointment.</p> <p>The organisational chart and IA plans showing placement of internal auditors is compared to the information on the previous positions and responsibilities of internal auditors to ensure individual independence and objectivity.</p>	<p>See Charter Paragraph 6.</p> <p>Annual declaration of Interest forms are completed by all members of the Audit Team.</p>	

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Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
to fulfil his or her duties impartially. A conflict of interest exists even if no unethical or improper act results. A conflict of interest can create an appearance of impropriety that can undermine confidence in the internal auditor, the internal audit activity, and the profession. A conflict of interest could impair an individual's ability to perform his or her duties and responsibilities objectively.	There is regular review of the placement/location of IA team members to ensure independence. This takes into account the consultancy work individual internal auditors have performed when assigning assurance engagement. Internal auditors do not provide assurance in areas where they have been involved in advising management.		
<b>1120 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
<b>1130 Impairment to Independence or Objectivity</b>			
<p>If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment.</p> <p><b>Interpretation:</b></p> <p>Impairment to organisational independence and individual objectivity may include, but is not limited to, personal conflict of interest, scope limitations, restrictions on access to</p>	<p>CAE has established rules of conduct that clearly set out expected behaviour and defines the nature of conflict of interest and impairment of objectivity.</p> <p>This may include recognition or adoption of the organisation's Code of Practice provided this contains sufficient detail – including the acceptance of gift and hospitality. Where these do not exist or they lack clarity IA should formulate separate policies.</p>	<p>All staff receive regular 1:1 meetings where these issues can be discussed.</p> <p>Staff are aware of the gifts and hospitality register and the policy on this.</p> <p>Consideration is given during the audit allocation process so that the same auditor is not given a review that they have previously acted in a consultancy capacity.</p>	

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Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<p>records, personnel, and properties, and resource limitations, such as funding. The determination of appropriate parties to which the details of an impairment to independence or objectivity must be disclosed is dependent upon the expectations of the internal audit activity's and the chief audit executive's responsibilities to senior management and the board as described in the internal audit charter, as well as the nature of the impairment.</p> <p>1130. A1 Internal auditors must refrain from assessing specific operations for which they were previously responsible. Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous year.</p> <p>1130. A2 Assurance engagements for functions over which the chief audit executive has responsibility must be overseen by a party outside the internal audit activity.</p> <p><b>1130 A3</b> – The internal audit activity may provide assurance services where</p>	<p>Internal auditors are required to register hospitality and gifts, which is reviewed on a regular basis.</p> <p>Policies make auditors aware they must report any real or perceived conflict of interest as soon as such conflict arises.</p> <p>Procedures exist to support the policy and there is information to illustrate application – conflict of interest statements.</p> <p>Policy exists to ensure that assurance engagements of areas that are under the control or direct influence of the CAE are overseen by a party external to the CAE.</p> <p>IA engagements are rotated ensuring that activities and entities are not audited by the same auditor or where they have performed consulting services which may impair objectivity.</p> <p>The assignment of internal engagements are rotated to ensure that internal auditors involved in the development of systems and procedures do not review the</p>	<p>Audit assignments are rotated so that activities are not audited by the same team member year after year.</p>	

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<p>it had previously performed consulting services, provided the nature of the consulting did not impair objectivity and provided individual objectivity is managed when assigning resources to the engagement</p> <p>1130. C1 Internal auditors may provide consulting services relating to operations for which they had previous responsibilities.</p> <p>1130.C2 If internal auditors have potential impairments to independence or objectivity relating to proposed consulting services, disclosure must be made to the engagement client prior to accepting the engagement</p>	management of risks and application of risk responses in these areas.		
<b>1130 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
1200 Proficiency and Due Professional Care			
Engagements must be performed with proficiency and due professional care.	The sum of Standards 1210-1230	<p>Training needs are identified during the Annual Appraisal Process.</p> <p>All internal audit work is reviewed by the CAE to ensure compliance with professional standards.</p>	

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<b>1200 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
<b>1210 Proficiency</b>			
<p>Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.</p> <p><b>Interpretation:</b></p> <p>Proficiency is a collective term that refers to the knowledge, skills, and other competencies required of internal auditors to effectively carry out their professional responsibilities. It encompasses consideration of current activities, trends, and emerging issues, to enable relevant advice and recommendations. Internal auditors are encouraged to demonstrate their proficiency by obtaining appropriate professional certifications and qualifications, such as the Certified Internal Auditor designation and other designations offered by The Institute of</p>	<p>There is a job description or person specification for each post with the IA organisation structure that defines appropriate knowledge, skills and experience.</p> <p>The job descriptions/person specifications are reviewed periodically or when positions become available.</p> <p>The knowledge, skills and competencies referred to might include:</p> <ul style="list-style-type: none"> <li>• Applying internal audit standards, procedures, and techniques in performing engagements.</li> <li>• Accounting principles and techniques if internal auditors work extensively with financial records and reports.</li> <li>• Knowledge to identify the indicators of fraud.</li> <li>• Knowledge of key information technology risks and controls and available technology-based audit techniques.</li> </ul>	<p>Job description are in place for all internal audit staff. New job descriptions have been completed for the Audit Manager and Principal Auditor posts but the others have not been reviewed for several years.</p> <p>The audit team are generalist auditors who do not have the knowledge and expertise to audit specific areas such as IT or tax assignments.</p> <p>The CAE has to assess the capability and competency of audit staff before commencement of audit assignments or consultancy activity</p>	<p>Update and review the remaining job descriptions for the Audit Team.</p>



## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<p>Internal Auditors and other appropriate professional organisations.</p> <p>1210.A1 The chief audit executive must obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.</p> <p>1210.A2 Internal Auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation, but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.</p> <p>1210.A3 Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work. However, not all internal auditors are expected to have the expertise of an internal auditor whose primary responsibility is information technology auditing.</p>	<ul style="list-style-type: none"> <li>• Communication and networking skills.</li> <li>• Managing people.</li> </ul> <p>A process exists that identifies individual internal auditor training and development needs with support for qualification programmes and other training and development activities.</p> <p>Internal auditor performance is reviewed on a regular basis, the results of which feed back into the needs assessment and CPD process.</p> <p>Internal auditors who perform specialised audit and consulting work such as information technology, tax, actuarial, or systems design undertake specific training and development.</p> <p>The CAE identifies gaps in knowledge and skills in the formulation of internal audit plans and engages capable assistance with approval of senior management and the audit committee.</p> <p>Capable assistance includes co-sourcing arrangements, use of internal experts and other assurance provides and</p>		

## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
1210.C1 The chief audit executive must decline the consulting engagement or obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.	<p>specialist service provider's external to the organisation.</p> <p>The CAE assesses the competency and objectivity of external service providers prior to their appointment.</p>		
<b>1210 - IIA Conformance Assessment</b>		<b>Partially Conforms</b>	
<b>1220 Due Professional Care</b>			
<p>Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.</p> <p>1220.A1 Internal auditors must exercise due professional care by considering the:</p> <ul style="list-style-type: none"> <li>Extent of work needed to achieve the engagement's objectives;</li> <li>Relative complexity, materiality, or significance of matters to which assurance procedures are applied;</li> </ul>	<p>The IA activity formally defines how it operates in a series of policies and procedures. For some the collection of documents may take the form of an Internal Audit Manual.</p> <p>The policies and procedures specify the way audit files and working papers need to be kept to record the information gathered and analysis performed during the audit engagement.</p> <p>Policies and procedure recognise the elements and requirements of the PSIAS.</p>	<p>Our current Internal Manual is not up to date. A new audit software 'TeamMate' has been introduced during this year. Once this is embedded the manual will be updated to reflect the new working practices. The team have access to the Teammate manuals and an advice line if they need assistance with any aspect of the system.</p> <p>All auditors have several years experience and expertise in the internal audit.</p> <p>Our audit brief document has a section for limitations of scope which sets out what the audit review will not cover.</p>	Update Audit Manual

## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<ul style="list-style-type: none"> <li>Adequacy and effectiveness of governance, risk management, and control processes;</li> <li>Probability of significant errors, fraud, or non-compliance; and</li> <li>Cost of assurance in relation to potential benefits.</li> </ul> <p>1220.A2 In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques.</p> <p>1220.A3 Internal auditors must be alert to the significant risks that might affect objectives, operations, or resources. However, assurance procedures alone, even when performed with due professional care, do not guarantee that all significant risks will be identified.</p> <p>1220.C1 Internal auditors must exercise due professional care during a consulting engagement by considering the:</p> <ul style="list-style-type: none"> <li>Needs and expectations of clients, including the nature, timing, and communication of engagement results;</li> </ul>	<p>Internal auditors research and gather background information to help them prioritise objectives and set boundaries for each audit engagement – assurance and consulting.</p> <p>The objectives and priorities for audit engagements are discussed with senior management and stakeholders where appropriate.</p> <p>Audit engagements focus upon management's assessment of risk responses. Taking into consideration residual risk and management assurance upon the effectiveness of the risk response. Where this is not available internal auditors perform their own assessment of risks.</p> <p>Where appropriate audit engagements are supported by appropriate tools, including reporting within information systems, interrogation techniques and other CAATTs.</p> <p>The communication of conclusions and audit opinions are based on appropriate information such as observations, tests, analyses and other documentation. This</p>	<p>All audit briefs are discussed with Heads of Service and Service Managers. Audit briefs are copied to the relevant Chief Officer prior to the commencement of audit work.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<ul style="list-style-type: none"> <li>Relative complexity and extent of work needed to achieve the engagement's objectives; and</li> <li>Cost of the consulting engagement in relation to potential benefits.</li> </ul>	is indexed and classified in working papers linked to the engagement work programme, schedule of testing and audit objectives.		
<b>1220 - IIA Conformance Assessment</b>		<b>Partially Conforms</b>	
<b>1230 Continuing Professional Development</b>			
Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development.	<p>There is a process to assess the training and development needs of internal auditors that provides input to the continuous professional development (CPD) programme required by the Institute.</p> <p>The process may be based upon the organisation's staff appraisal procedure but centres upon the development of professional proficiency and the changing demands upon the profession.</p>	<p>Training days have been allocated for the Internal Audit Teams development and training. The CAE as a Chartered Accountant needs to fulfil this criteria on an annual basis.</p> <p>The Council has produced a training catalogue where staff can access training if there is a need for further development.</p> <p>Training is discussed during 1-2-1 meetings and during the annual appraisal process.</p>	
<b>1230 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
<b>1300 Quality Assurance and Improvement Programme (QAIP)</b>	The sum of Standards 1310-1320.		

## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<p>The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.</p> <p><b>Interpretation:</b></p> <p>A quality assurance and improvement program is designed to enable an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The chief audit executive should encourage board oversight in the quality assurance and improvement program</p>	<p>The QAIP is about establishing a culture of continuous improvement to prevent problems and to underpin day-to-day delivery of a reliable assurance and consulting service.</p> <p>This is led by the CAE who sets a vision, a strategy and service expectations through policies, procedures, review and oversight arrangements based upon stakeholder requirements and consultation with the internal audit team.</p> <p>Stakeholder expectations and the results of consultations with staff are documented.</p> <p>The establishment of QAIP and its purpose is reflected in the internal audit charter. This refers to the arrangements for supervision and review of the work that staff do</p>	<p>An External Quality Review was conducted in 2014 by PWC. An action plan has come out of this and a follow-up review was completed by PWC in February 2018.</p>	<p>An update is being presented to the Audit Committee on 19 July 2017.</p>
<b>1300 - IIA Conformance Assessment</b>		<b>Partially Conforms</b>	
1310 Requirements of the Quality Assurance and Improvement Program			

## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
The quality assurance and improvement program must include both internal and external assessments.	There is a plan or schedule agreed with senior management and the board that sets out the type, nature and timing of future assessments – both internal and external.	EQA as stated above was carried out by PWC. The internal assessment is carried out by the CAE on an annual basis and reported to the Audit Committee.  The CAE reports the effectiveness of Internal Audit on an annual basis. This is presented to Strategic Management Team and Audit Committee.	
1310 - IA Conformance Assessment		Generally Conforms	
1311 Internal Assessments			
<ul style="list-style-type: none"><li>Ongoing monitoring of the performance of the internal audit activity.</li><li>Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.</li></ul> <p><b>Interpretation:</b></p> <p>Ongoing monitoring is an integral part of the day-to-day supervision, review, and measurement of the internal audit activity. Ongoing monitoring is incorporated into the routine policies</p>	<p>There is evidence of ongoing internal reviews of the performance of the internal audit activity.</p> <p>There are a variety of options for this depending on the size and structure of the service including self-assessment by the internal audit activity, peer reviews, benchmarking exercises, post audit and/or annual client questionnaires, monitoring by the audit committee and other reviews initiated internally by the organisation.</p> <p>The ISO quality standard, EFQM and other models can be used to establish and maintain the QAIP.</p>	<p>All audit work is reviewed by the CAE.</p> <p>After each assignment a customer satisfaction questionnaire is sent out to auditees. Any concerns raised in these are follow up by the CAE</p> <p>The Audit Committee is kept up to date with Internal Audit Progress throughout the year.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<p>and practices used to manage the internal audit activity and uses processes, tools, and information considered necessary to evaluate conformance with the Code of Ethics, and the Standards.</p> <p>Periodic assessments are conducted to evaluate conformance with the Code of Ethics, and the Standards.</p> <p>Sufficient knowledge of internal audit practices requires at least an understanding of all elements of the International Professional Practices Framework.</p>	<p>The precise nature and mix of the internal assessments will be decided by the organisation to best suit circumstances but all should evaluate internal audit activity in accordance with:</p> <ul style="list-style-type: none"><li>• The professional requirements in the PSIAS.</li><li>• The vision and policies set by the CAE.</li><li>• The Internal Audit Charter.</li><li>• Internal audit procedures that set out to achieve quality on a daily basis – including the recognition and prevention of ‘defects’.</li></ul>		
1311 - IIA Conformance Assessment		Generally Conforms	
1312 External Assessments			
<p>External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The chief audit executive must discuss with the board:</p>	<p>The CAE consults with the board when deciding the frequency of the external assessment and the qualifications and independence of the external reviewer or review team.</p> <p>The assessor or assessment team is from outside the organisation and is</p>	<p>EQA was completed by PWC in 2014. Therefore the next EQA is due in 2019.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<ul style="list-style-type: none"> <li>The form and frequency of external assessments.</li> <li>The qualifications and independence of the assessor or assessment team, including any potential conflict of interest.</li> </ul> <p><b>Interpretation:</b></p> <p>External assessments may be accomplished through a full external assessment, or a self-assessment with independent external validation. The external assessor must conclude as to conformance with the Code of Ethics and the Standards; the external assessment may also include operational or strategic comments.</p> <p>A qualified assessor or assessment team demonstrates competence in two areas: the professional practice of internal auditing and the external assessment process. Competence can be demonstrated through a mixture of experience and theoretical learning. Experience gained in organisations of similar size, complexity, sector or industry and technical issues is more</p>	<p>free from any obligations to or interests in the organisation – in particular consulting services.</p> <p>Assessors are qualified, with appropriate competence and experience of IA – at least three years at manager level - and knowledge of leading practices in IA, as well as current, in-depth knowledge of the PSIAS.</p> <p>There is evidence of comprehensive external assessments at least every 5 years (This includes peer assessment where there is an element of independence in the process).</p> <p>For some organisations external quality assessments may be carried out more regularly based upon regulatory or funding requirements – particularly the public sector.</p> <p>External audit assessments may also be appropriate where significant change has occurred within the organisation of internal audit activity.</p>		



## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<p>valuable than less relevant experience. In the case of an assessment team, not all members of the team need to have all the competencies; it is the team as a whole that is qualified. The chief audit executive uses professional judgment when assessing whether an assessor or assessment team demonstrates sufficient competence to be qualified.</p> <p>An independent assessor or assessment team means not having either an actual or a perceived conflict of interest and not being a part of, or under the control of, the organisation to which the internal audit activity belongs. The chief audit executive should encourage board oversight in the external assessment to reduce perceived or potential conflicts of interest.</p>	The external assessor concludes as to the conformance with the Code of Ethics and the Standards (as well as operational or strategic comments).		
<b>1312 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
1320 Reporting on the Quality Assurance and Improvement Programme			
The chief audit executive must communicate the results of the quality assurance and improvement program to	The results of the QAIP are reported to the stakeholders of IA.	As above. See 1300.	

## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
<p>senior management and the board. Disclosure should include:</p> <ul style="list-style-type: none"> <li>• The scope and frequency of both the internal and external assessments.</li> <li>• The qualifications and independence of the assessor(s) or assessment team, including potential conflicts of interest.</li> <li>• Conclusions of assessors.</li> <li>• Corrective action plans</li> </ul> <p><b>Interpretation:</b></p> <p>The form, content, and frequency of communicating the results of the quality assurance and improvement program is established through discussions with senior management and the board and considers the responsibilities of the internal audit activity and chief audit executive as contained in the internal audit charter. To demonstrate conformance with the Code of Ethics, and the Standards, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are</p>	<p>Where the IA activity cannot conform with one aspect or other of the PSIAS the details of the non-conformance and its implications are reported to the board.</p> <p>All aspects of the QAIP generate improvements in what is done and in how it is done. This is done using agreed and assigned action plans with target dates</p> <p>Follow-up and reporting of the implementation of actions to senior management and the board.</p>		

## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
communicated at least annually. The results include the assessor's or assessment team's evaluation with respect to the degree of conformance.			
<b>1320 - IIA Conformance Assessment</b>		<b>Partially Conforms</b>	
1321 Use of Conforms with the International Standards for the Professional Practice of Internal Auditing			
<p>Indicating that the internal audit activity conforms with the International Standards for the Professional Practice of Internal Auditing is appropriate only if supported by the results of the quality assurance and improvement program.</p> <p><b>Interpretation:</b></p> <p>The internal audit activity conforms with the Code of Ethics and the Standards when it achieves the outcomes described therein.</p> <p>The results of the quality assurance and improvement programme include the results of both internal and external assessments. All internal audit activities</p>	<p>The wording that the IA activity uses in reports regarding conformance with the PSIAS is consistent with the results of the quality assessments – internal and external.</p> <p>The IA activity conforms to the PSIAS when it achieves the outcomes described in the Definition of Internal Auditing, Code of Ethics and International Standards.</p>	Yes, adherence to the Public Sector Internal Audit Standards 2016 (PSIAS)	

## Internal Audit Standards Self - Assessment Compliance Checklist

Attribute Standard	Key conformance criteria	Evidence of Compliance	Comment
will have the results of internal assessments. Internal audit activities in existence for at least five years will also have the results of external assessments.			
1321 - IIA Conformance Assessment		Generally Conforms	
1322 Disclosure of Non-conformance			
When non-conformance with the Code of Ethics, or the Standards impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the non-conformance and the impact to senior management and the board.	There is evidence of appropriate disclosure linked to 1321	There have been no instances of non-conformance. These could be reported to the audit committee if they occurred.	
1322 - IIA Conformance Assessment		Generally Conforms	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
2000 Managing the Internal Audit Activity	The sum of Standards 2010 - 2060		
<p>The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organisation</p> <p><b>Interpretation:</b></p> <p>The internal audit activity is effectively managed when:</p> <ul style="list-style-type: none"> <li>• It achieves the purpose and responsibility included in the internal audit charter;</li> <li>• It conforms with the Standards;</li> <li>• Its individual members conform with the Code of Ethics and the Standards.</li> <li>• It considers trends and emerging issues that could impact the organisation</li> </ul> <p>The internal audit activity adds value to the organisation (and its stakeholders) when it considers strategies, objectives, and risks; strives to offer ways to enhance governance, risk management and control processes and objectively provides relevant assurances.</p>	<p>The internal audit activity adds value to the organisation (and its stakeholders) when it provides:</p> <ul style="list-style-type: none"> <li>• Objective and relevant assurance, and</li> <li>• Contributes to the effectiveness and efficiency of governance, risk management and control processes and objectively provides relevant assurance.</li> </ul> <p>Delivery of the internal audit service to the organisation involves planning, communication and approval, resource management, policies and procedures, coordination and reporting to senior management and the board.</p> <p>As well as functional management the CAE may be required to comply with organisational administrative and personnel management requirements. This might include: business planning, budget forecasting and management, staff appraisal, succession planning etc.</p>	<p>Evidenced in Audit Reports and client satisfaction surveys.</p> <p>The CAE is a member of the Risk Management Working Group.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
2000 - IIA Conformance Assessment		Generally Conforms	
2010 Planning			
<p>The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation’s goals.</p> <p><b>Interpretation:</b></p> <p>To develop the risk-based plan, the chief audit executive consults with senior management and the board and obtains an understanding of the organisation’s strategies, key business objectives, associated risks, and risk management processes. The chief audit executive must review and adjust the plan, as necessary, in response to changes in the organisation’s business, risks, operations, programs, systems, and controls.</p> <p>2010.A1 The internal audit activity plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process</p>	<p>The CAE has established risk-based internal audit plans (RBIA) in consultation with the board and senior management that identifies where assurance and consultancy is required on risk management processes, management assurances and risk responses.</p> <p>The audit plan establishes a link between the proposed audit topics and the priorities and risks of the organisation taking into account:</p> <ul style="list-style-type: none"><li>• Stakeholder expectations, and feedback from senior and operational managers.</li><li>• Objectives set in the strategic plan and business plans, including major projects and financial forecasts.</li><li>• Risk maturity in the organisation to provide an indication of the reliability of risk registers.</li><li>• Management’s identification and response to risk, including risk</li></ul>	<p>Internal Audit Plan is compiled using a risk based methodology (taking into account identified operational and strategic risks) in consultation with senior management and stakeholder expectations.</p> <p>This year the CAE has put together a strategic audit plan which takes into account the whole audit universe.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>2010.A2 The chief audit executive must identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinions and other conclusions.</p> <p>2010.C1 The chief audit executive should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value, and improve the organisation's operations. Accepted engagements must be included in the plan.</p>	<p>mitigation strategies and levels of residual risk.</p> <ul style="list-style-type: none"> <li>• Legal and regulatory requirements.</li> <li>• The audit universe – all the audits that could be performed within the scope of the IA Charter.</li> <li>• Previous IA plans and the results of audit engagements.</li> </ul> <p>The CAE determines stakeholder expectations for IA opinions including the levels of assurance required, scope and the way assurance is given such as narrative or rating by discussion with senior management and the board.</p> <p>Where the organisation's risk maturity is at formative level – defined as 'naïve' or 'aware' - IA may perform consulting engagements to support the improvement of risk management. In this situation IA performs its own risk assessment in formulating risk based IA plans.</p> <p>There is a degree of flexibility and contingency within IA plans to cater for the changing risk environment.</p>		

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
	There is formal approval of the plan by the board – in some cases internal audit is required to formulate a plan for approval that enables them to provide an annual opinion. This is understood and reflected in discussions and approval of the plan with senior management and the board.		
2010 - IIA Conformance Assessment		Generally Conforms	
2020 Communication and Approval			
The chief audit executive must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.	<p>The CAE communicates progress against the annual plan, including significant changes, to senior management and the board.</p> <p>The board monitor progress against plans.</p> <p>IA explains and justifies deviations from the plan and the use of contingency time.</p>	Yes, as above CAE reports to Strategic Management Team on a quarterly basis and internal audit performance is reported to Audit Committee.	
2020 - IIA Conformance Assessment		Generally Conforms	
2030 Resource Management			
The chief audit executive must ensure that internal audit resources are	The level of resources included in the plan is determined by the management	The internal audit plan is put together using current audit resources and	



## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>appropriate, sufficient, and effectively deployed to achieve the approved plan.</p> <p><b>Interpretation:</b></p> <p>Appropriate refers to the mix of knowledge, skills, and other competencies needed to perform the plan. Sufficient refers to the quantity of resources needed to accomplish the plan. Resources are effectively deployed when they are used in a way that optimises the achievement of the approved plan.</p>	<p>assurances and risks on which the board require objective assurance and consultancy – a needs assessment.</p> <p>The CAE has communicated to senior management and the board the impact of resource limitations</p> <p>Staffing plans and financial budgets are determined from annual IA plans and activities.</p> <p>The CAE allocates internal engagements according to the competency levels and training plans of staff – refer back to the section of proficiency.</p>	<p>budgets. If this should change during the year, a revised plan is presented to the audit committee for approval.</p>	
2030 - IIA Conformance Assessment		Generally Conforms	
2040 Policies and Procedures			
<p>The chief audit executive must establish policies and procedures to guide the internal audit activity.</p> <p><b>Interpretation:</b></p> <p>The form and content of policies and procedures are dependent upon the size and structure of the internal audit activity and the complexity of its work</p>	<p>There are appropriate policies and procedures, which are communicated to and understood by the staff of the internal audit activity.</p> <p>Internal auditors understand what is expected of them and the procedures recognise and apply the requirements of the PSIAS</p>	<p>Procedures are in place however they have not been updated to reflect the TeamMate electronic audit software.</p>	<p>Update procedure to include new working practises following the implementation of the TeamMate electronic audit software.</p>

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
	<p>Managers and the QAIP examine the application of policies and procedures – there is evidence to support supervision and quality management.</p> <p>Internal auditors meet to discuss the application of policies and procedures – with agreed actions.</p>		
2040 - IIA Conformance Assessment		Partially Conforms	
2050 Coordination and Reliance			
<p>The chief audit executive should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts.</p> <p>Interpretation: In coordinating activities, the chief audit executive may rely on the work of other assurance and consulting service providers.</p> <p>A consistent process for the basis of reliance should be established, and the chief audit executive should consider the competency, objectivity, and due</p>	<p>IA work is coordinated with that of the external auditors and with other internal providers of assurance and consulting services. This might include regular meetings, documented agreements, coordinated plans, sharing resources, training arrangements.</p> <p>In some cases IA may be required to assess the reliability of the work of other assurance providers. This is established in the IA Charter and factored into the IA plans.</p>	<p>Meetings are held with the external auditors.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>professional care of the assurance and consulting service providers.</p> <p>The chief audit executive should also have a clear understanding of the scope, objectives, and results of the work performed by other providers of assurance and consulting services.</p> <p>Where reliance is placed on the work of others, the chief audit executive is still accountable and responsible for ensuring adequate support for conclusions and opinions reached by the internal audit activity.</p>			
2050 - IIA Conformance Assessment		Generally Conforms	
2060 Reporting to Senior Management and the Board			
<p>The chief audit executive must report periodically to senior management and the board on the internal audit activity’s purpose, authority, responsibility, and performance relative to its plan and on its conformance with the Code of Ethics and the Standards. Reporting must also include significant risk and control issues, including fraud risks, governance</p>	<p>There is evidence that the CAE reports appropriately to the board and senior management on internal audit activities, performance and conformance with the Code of Ethics and the Standards. This might include:</p> <ul style="list-style-type: none"><li>• Board minutes.</li><li>• CAE presentation to board.</li></ul>	<p>Yes CAE attends Strategic Management Team.</p> <p>(See SMT Minutes)</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>issues, and other matters that require the attention senior management and/or the board.</p> <p><b>Interpretation:</b></p> <p>The frequency and content of reporting are determined collaboratively by the chief audit executive, with senior management, and the board, The frequency and content of reporting depends on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management and/or the board.</p> <p>The chief audit executive's reporting and communication to senior management and the board must include information about:</p> <ul style="list-style-type: none"> <li>• The audit charter.</li> <li>• Independence of the internal audit activity.</li> <li>• The audit plan and progress against the plan.</li> <li>• Resource requirements.</li> <li>• Results of audit activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Activity reports.</li> <li>• Interviews, management reports, reports on meetings.</li> <li>• Senior management's responses to internal audit reports.</li> <li>• Tangible evidence (e-mail records, internal memos, reports on meetings, etc.) demonstrating that the board had been informed.</li> <li>• Status of action plans.</li> </ul>		

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<ul style="list-style-type: none"><li>Conformance with the Code of Ethics and the Standards, and action plans to address any significant conformance issues.</li><li>Management’s response to risk that, in the chief audit executive’s judgment, may be unacceptable to the organisation.</li></ul> <p>These and other chief audit executive communication requirements are referenced throughout the Standards.</p>			
2060 - IIA Conformance Assessment		Generally Conforms	
2070 External Service Provider and Organisational Responsibility for Internal Audit			
<p>When an external service provider serves as the internal audit activity, the provider must make the organisation aware that the organisation has the responsibility for maintaining an effective internal audit activity.</p> <p><b>Interpretation:</b></p> <p>This responsibility is demonstrated through the quality assurance and</p>	<p>While IA may be outsourced to a provider of internal audit the organisation retains responsibility for its effectiveness. Responsibility for IA will be assigned to a suitably experience manager who takes ownership for the performance and effectiveness of IA.</p> <p>Quality control will be demonstrated through the QA&amp;IP with both internal and external assessments.</p>	<p>Not applicable. We are an in house team.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
improvement programme which assesses conformance with the Code of Ethics, and the International Standards.			
2070 - IIA Conformance Assessment		Choose an item.	
2100 Nature of Work	Sum of Standards 2110 – 2130		
The internal audit activity must evaluate and contribute to the improvement of the organisation’s governance, risk management, and control processes using a systematic disciplined and risk-based approach. Internal audit credibility and value are enhanced when auditors are proactive and their evaluations offer new insights and consider future impact.	A significant part of internal audit’s assurance role in relation to governance relates to the effectiveness of risk management – refer to the next section 2120	The IA team co-ordinate the AGS process. Consideration to both operational and strategic risks was given during the audit planning process. All audit assignments are risk based	
2100 - IIA Conformance Assessment		Generally Conforms	
2110 Governance			
The internal audit activity must assess and make appropriate recommendations to improve the organisation’s governance processes for:  • Making strategic and operational decisions.	IA reviews the activities in place that manage and monitor the effective implementation of the organisation’s;  • Ethics and values. • Codes of conduct. • Levels of authority and responsibility.	These are all included in the audit assignment.  An audit on Corporate Governance was completed in 2016/17.	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<ul style="list-style-type: none"> <li>Overseeing risk management and control</li> <li>Promoting appropriate ethics and values within the organisation.</li> <li>Ensuring effective organisational performance management and accountability.</li> <li>Communicating risk and control information to appropriate areas of the organisation.</li> <li>Coordinating the activities of and communicating information among the board, external and internal auditors, other assurance providers and management.</li> </ul> <p>2110.A1 The internal audit activity must evaluate the design, implementation, and effectiveness of the organisation's ethics-related objectives, programmes, and activities.</p> <p>2110.A2 The internal audit activity must assess whether the information technology governance of the organisation supports the organisations strategies and objectives.</p>	<ul style="list-style-type: none"> <li>Strategic and operational objectives.</li> <li>Compliance with laws and regulations.</li> <li>Communication with stakeholders.</li> <li>Risk management and control processes</li> <li>Social and ethical objectives, including validation of reported results.</li> <li>IT governance, including information security.</li> </ul> <p>Internal audit's consultancy engagements support the improvement of the organisations governance framework, including the board's self-assessment of performance, benchmarking and development of best practice based upon published reports such as the Combined Code.</p>	<p>Consultancy engagements are approved by the Audit Chair and Section 151 Officer as set out in our Charter.</p> <p>The CAE is a member of the Risk Management Group.</p>	
<b>2110 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<b>2120 Risk Management</b> <p>The internal audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes.</p> <p>Interpretation: Determining whether risk management processes are effective is a judgment resulting from the internal auditors assessment that:</p> <ul style="list-style-type: none"> <li>• Organisational objectives support and align with the organisation's mission;</li> <li>• Significant risks are identified and assessed;</li> <li>• Appropriate risk responses are selected that align risks with the organisation's risk appetite; and</li> <li>• Relevant risk information is captured and communicated in a timely manner across the organisation, enabling staff, management, and the board to carry out their responsibilities.</li> </ul> <p>The internal audit activity may gather the information to support this assessment during multiple engagements. The results of these</p>	<p>Internal audit's role with regard to risk management is set out in the internal audit charter.</p> <p>IA's role with regard to risk management will vary according to the level of risk maturity within the organisation. Where risk management is well established (risk managed or risk enabled) internal audit provide assurance upon:</p> <ul style="list-style-type: none"> <li>• The effective implementation of risk management processes in relation to strategic and operational objectives.</li> <li>• Reliable identification and assessment of risks with appropriate response.</li> <li>• The reporting of risk and control status by management.</li> <li>• The level of residual risk in relation to the organisations' risk appetite.</li> <li>• The effectiveness of the controls and other responses to risks.</li> </ul> <p>The IA activity gathers the information to support an assessment of risk management during multiple engagements.</p>	<p>The CAE is a member of the Risk Management Working Group where these issues are discussed.</p> <p>All audit assignments are risk based taking into account service objectives and risks that could prevent objectives from being met.</p> <p>Internal Audit does co-ordinate the operational risk management process.</p>	



## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>engagements, when viewed together, provide an understanding of the organisation's risk management processes and their effectiveness.</p> <p>Risk management processes are monitored through ongoing management activities, separate evaluations, or both.</p> <p>2120.A1 The internal audit activity must evaluate risk exposures relating to the organisation's governance, operations, and information systems regarding the:</p> <ul style="list-style-type: none"> <li>• Achievement of the organisation's strategic objectives,</li> <li>• Reliability and integrity of financial and operational information.</li> <li>• Effectiveness and efficiency of operations and programmes.</li> <li>• Safeguarding of assets; and</li> <li>• Compliance with laws, regulations, policies procedures and contracts.</li> </ul> <p>2120.A2 The internal audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.</p>	<p>The results of these engagements, when viewed together, provide an understanding of the organisation's risk management and its effectiveness.</p> <p>Alternatively, IA may assess risk management processes as one single engagement</p> <p>Where risk management is less developed (risk naïve, aware or defined) internal audit operate in a more advisory capacity to:</p> <ul style="list-style-type: none"> <li>• Report upon the level of risk maturity and scope for improvement.</li> <li>• Support development of risk management framework.</li> <li>• Facilitate identification and assessment of risks.</li> <li>• Coach management in responding to risks.</li> </ul> <p>Coordinate and consolidate reporting:</p> <p>IA refrains from taking full responsibility for risk management, including risk responses.</p>		

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>2120.C1 During consulting engagements, internal auditors must address risk consistent with the engagement’s objectives and be alert to the existence of other significant risks.</p> <p>2120.C2 Internal auditors must incorporate knowledge of risks gained from consulting engagements into their evaluation of the organisation’s risk management processes.</p> <p>2120.C3 When assisting management in establishing or improving risk management processes, internal auditors must refrain from assuming any management responsibility by actually managing risks</p>	<p>IA carry out individual risk based engagements to provide assurance on part of the risk management framework, including on the mitigation of individual or groups of risks.</p> <p>IA evaluates the potential occurrence for fraud as part of audit engagements – included within objectives and referred to in communications at the end of the audit engagement.</p>		
2120 - IIA Conformance Assessment		Generally Conforms	
2130 Control			
<p>The internal audit activity must assist the organisation in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.</p> <p>2130.A1 The internal audit activity must evaluate the adequacy and</p>	<p>IA engagements consider the efficiency of controls used to mitigate risks - whether there are too many or too few controls, which evaluates the cost of control in relation to the impact and likelihood of the risk.</p> <p>IA work programmes focus on high priority risks and adequately tests</p>	<p>Yes, during see individual audit assignments.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>effectiveness of controls in responding to risks within the organisation's governance, operations, and information systems regarding the:</p> <ul style="list-style-type: none"> <li>Achievement of the organisation's strategic objectives,</li> <li>Reliability and integrity of financial and operational information;</li> <li>Effectiveness and efficiency of operations;</li> <li>Safeguarding of assets; and</li> <li>Compliance with laws, regulations, and contracts</li> </ul> <p>2130.C1 Internal auditors must incorporate knowledge of controls gained from consulting engagements into evaluation of the organisation's control processes.</p>	<p>controls to ensure their effectiveness – there is a recognised approach to ensure sufficient sample sizes are taken and tested.</p> <p>IA verify, where appropriate:</p> <ul style="list-style-type: none"> <li>The application and effectiveness of risk management procedures.</li> <li>Management assurances on controls, including the results of self-assessments.</li> <li>KPIs are accurate, timely, relevant and reliable.</li> <li>Reporting requirements are operating as planned</li> </ul> <p>Internal auditors support management upon the design of controls at appropriate points in the development of major change programmes – examples would include implementation of new computer systems, building and supply contracts.</p>		
<b>2130 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
<b>2200 Engagement Planning</b>	<b>Sum of Standards 2201-2240</b>		
Internal auditors must develop and document a plan for each engagement, including the engagement's objectives,		Yes, see individual working files	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
scope, timing, and resource allocations. The plan must consider the organisation’s strategies, objectives and risks relevant to the engagement.			
2200 - IIA Conformance Assessment		Generally Conforms	
2201 Planning Considerations			
In planning the engagement, internal auditors must consider: <ul style="list-style-type: none"><li>• The strategies and objectives of the activity being reviewed and the means by which the activity controls its performance.</li><li>• The significant risks to the activity’s objectives, resources, and operations and the means by which the potential impact of risk is kept to an acceptable level.</li><li>• The adequacy and effectiveness of the activity’s governance, risk management, and control processes compared to a relevant framework or model.</li><li>• The opportunities for making significant improvements to the activity’s governance, risk</li></ul>	Procedure exists within the IA activity that requires internal auditors to research, scope and plan internal audit engagements – assurance and consultancy.  Internal auditors document the following as part of their research and discussions with managers <ul style="list-style-type: none"><li>• The nature of the area under review and key areas of change and development</li><li>• The activities that occur and the way performance is monitored.</li><li>• Strategic objectives and the way the area contributes to the organisation’s strategy or purpose.</li><li>• The risks involved and the organisation’s chosen responses to those risks.</li></ul>	This is evidenced in individual working files.	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>management, and control processes.</p> <p>2201.A1 When planning an engagement for parties outside the organisation, internal auditors must establish a written understanding with them about objectives, scope, respective responsibilities, and other expectations, including restrictions on distribution of the results of the engagement and access to engagement records.</p> <p>2201.C1 Internal auditors must establish an understanding with consulting engagement clients about objectives, scope, respective responsibilities, and other client expectations. For significant engagements, this understanding must be documented.</p>	<ul style="list-style-type: none"> <li>• How managers know the responses are effective.</li> <li>• Assurances managers give to whom and how often.</li> </ul> <p>The preparation for audit engagements leads to the documentation of objectives that are agreed with senior management and where appropriate clients outside the organisation. Options include:</p> <ul style="list-style-type: none"> <li>• Assurance that management assurance is effective and, therefore, reliable.</li> <li>• Assurance that specific responses, including controls, are effective in managing given risks.</li> <li>• Consultancy to help managers improve the design or implementation of governance processes, risk processes and risk responses, including controls.</li> </ul> <p>Documentation of the objectives and scope of consultancy engagements. This could include engagement letters, terms of reference and any other form of agreement that documents the</p>		

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
	responsibilities of the internal audit activity in a consultancy engagement		
2201 - IIA Conformance Assessment		Generally Conforms	
2210 Engagement Objectives			
<p>Objectives must be established for each engagement.</p> <p>2210.A1 Internal auditors must conduct a preliminary assessment of the risks relevant to the activity under review. Engagement objectives must reflect the results of this assessment.</p> <p>2210.A2 Internal auditors must consider the probability of significant errors, fraud, non-compliance, and other exposures when developing the engagement objectives.</p> <p>2210.A3 Adequate criteria are needed to evaluate governance, risk management and controls. Internal auditors must ascertain the extent to which management and/or the board has established adequate criteria to determine whether objectives and goals have been accomplished. If adequate, internal auditors must use such criteria</p>	<p>In establishing objectives for assurance engagements the internal auditor considers:</p> <ul style="list-style-type: none"><li>• The significant risks to the activity, its objectives, resources, and operations and the means by which the potential impact of risk is kept to an acceptable level.</li><li>• The adequacy and effectiveness of the activity’s risk management and control systems compared to a relevant control framework or model.</li><li>• The opportunities for making significant improvements to the activity’s risk management and control systems.</li></ul> <p>For consultancy engagements the objectives reflect the expectation of managers and relate to aspects of governance, risk management and control</p>	<p>Audit briefs are presented for all assignments taking into account the management of risks and the objectives of the audit review.</p> <p>Internal procedures, compliance with legislation where appropriate are reviewed during the audit process.</p> <p>All consultancy work is documented and agreed so the parties concerned know the expectations and outputs.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>in their evaluation. If inadequate, internal auditors must identify appropriate evaluation criteria through discussion with management and/or the board.</p> <p>Interpretation:</p> <p>Types of criteria may include:</p> <ul style="list-style-type: none"><li>• Internal (e.g., policies and procedures of the organization).</li><li>• External (e.g., laws and regulations imposed by statutory bodies).</li><li>• Leading practices (e.g., industry and professional guidance).</li></ul> <p>2210.C1 Consulting engagement objectives must address governance, risk management, and control processes to the extent agreed upon with the client.</p> <p>2210.C2 Consulting engagement objectives must be consistent with the organisation’s values, strategies and objectives</p>			
2210 - IIA Conformance Assessment		Generally Conforms	
2220 Engagement Scope			

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>The established scope must be sufficient to achieve the objectives of the engagement.</p> <p>2220.A1 The scope of the engagement must include consideration of relevant systems, records, personnel, and physical properties, including those under the control of third parties.</p> <p>2220.A2 If significant consulting opportunities arise during an assurance engagement, a specific written understanding as to the objectives, scope, respective responsibilities, and other expectations should be reached and the results of the consulting engagement communicated in accordance with consulting standards.</p> <p>2220.C1 In performing consulting engagements, internal auditors must ensure that the scope of the engagement is sufficient to address the agreed-upon objectives. If internal auditors develop reservations about the scope during the engagement, these reservations must be discussed with the client to determine whether to continue with the engagement.</p>	<p>The engagement scope is consistent with the audit objectives. In practice this means agreeing and documenting:</p> <ul style="list-style-type: none"> <li>• The extent of the audit - understanding what will and won't be looked at.</li> <li>• The nature of assurance to be provided or focus of the consulting work to be done, including timing and key stages.</li> <li>• Defining the people, systems, procedures, files and records that will form the audit engagement.</li> <li>• Defining the depth of the review, such as the period under review or any special conditions.</li> </ul> <p>The scope of consultancy engagements has reference to aspects of governance, risk management and control as per the definition of IA.</p>	<p>See audit briefing documents.</p>	



## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
2220.C2 During consulting engagements, internal auditors must address controls consistent with the engagement’s objectives and be alert to significant control issues.			
2220 - IIA Conformance Assessment		Generally Conforms	
2230 Engagement Resource Allocation			
Internal auditors must determine appropriate and sufficient resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints, and available resources.  Interpretation: Appropriate refers to the mix of knowledge, skills, and other competencies needed to perform the engagement. Sufficient refers to the quantity of resources needed to accomplish the engagement with due professional care.	Evidence of appropriate evaluation of how audit engagements are resourced based on the nature and complexity of the engagement, time constraints, and available resources. This would include the rational for using resources outside the IA activity based on the levels of competency required.	This is documented during the audit allocation process.	
2230 - IIA Conformance Assessment		Generally Conforms	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<b>2240 Engagement Work Programme</b>			
<p>Internal auditors must develop and document work programmes that achieve the engagement objectives.</p> <p>2240.A1 Work programme must include the procedures for identifying, analysing, evaluating, and documenting information during the engagement. The work programme must be approved prior to its implementation, and any adjustments approved promptly.</p> <p>2240.C1 Work programme for consulting engagements may vary in form and content depending upon the nature of the engagement.</p>	<p>The internal auditor has developed a programme of work outlining the resources and procedures needed to achieve the audit objectives. This might include:</p> <ul style="list-style-type: none"> <li>• Timetables and project plans.</li> <li>• Preparation of audit programmes and checklists.</li> <li>• Interview and testing schedules.</li> </ul> <p>For consultation work the planning and, documentation of activities is tailored according to the nature of the engagement. The one-off nature of such engagement may require detailed project plans and timetables.</p> <p>The engagement programme of work and any subsequent programme adjustments are approved by the CAE or designee</p>	<p>See individual assignment working papers.</p> <p>Working papers are reviewed by the CAE</p>	
<b>2240 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
<b>2300 Performing the Engagement</b>	<b>Sum of Standards 2300-2340</b>		
Internal auditors must identify, analyse, evaluate, and document sufficient	Information can be data or documents that internal auditors use, document or		

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
information to achieve the engagement’s objectives.	<p>create to support and fulfil their audit engagements.</p> <p>Information is retained in some form of filing or storage system to support conclusions and opinions – hardcopy or electronic versions are acceptable</p>		
2300 - IIA Conformance Assessment		Generally Conforms	
2310 Identifying Information			
<p>Internal auditors must identify sufficient, reliable, relevant, and useful information to achieve the engagement’s objectives.</p> <p><b>Interpretation:</b></p> <p>Sufficient information is factual, adequate, and convincing so that a prudent, informed person would reach the same conclusions as the auditor. Reliable information is the best attainable information through the use of appropriate engagement techniques. Relevant information supports engagement observations and recommendations and is consistent with the objectives for the engagement.</p>	<p>The internal auditor plans what information they may need, where that information could be obtained from and whether that information is sufficient, reliable, relevant, and timely.</p> <p>The working files/papers for the audit engagement contain information that shows how activities and processes are designed and how they are meant to work.</p> <p>Information is obtained from information systems about the way processing operates – options include reporting tools, exception reports and CAATs.</p>	<p>There is evidence of working papers for all assignments undertaken.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
Useful information helps the organisation meet its goals	Information also includes observations, interviews and results of audit testing.		
2310 - IIA Conformance Assessment		Generally Conforms	
2320 Analysis and Evaluation			
Internal auditors must base conclusions and engagement results on appropriate analyses and evaluations.	<p>Audit conclusions and engagement results are based on the information that has been gathered during the audit engagement.</p> <p>There is evidence that the information has been analysed and evaluations discussed with managers.</p>	<p>Audit results/ findings are discussed with auditees at the end of fieldwork.</p> <p>Evidence of review can be seen in individual assignment files.</p>	
2320 - IIA Conformance Assessment		Generally Conforms	
2330 Documenting Information			
<p>Internal auditors must document sufficient, reliable, relevant and useful information to support the engagement results and conclusions.</p> <p>2330.A1 The chief audit executive must control access to engagement records. The chief audit executive must obtain the approval of senior management and/or legal counsel prior to releasing</p>	<p>Sufficient, reliable, relevant and useful information is documented to support the conclusions and audit opinions.</p> <p>Work files/papers have controlled access according to the policy of the organisation</p> <p>A policy and procedure exists relating to information archiving and retrieval.</p>	<p>All audit work is documented either electronically or paper based. The internal audit team only have access to these files.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>such records to external parties, as appropriate.</p> <p>2330.A2 The chief audit executive must develop retention requirements for engagement records, regardless of the medium in which each record is stored. These retention requirements must be consistent with the organisation’s guidelines and any pertinent regulatory or other requirements.</p> <p>2330.C1 The chief audit executive must develop policies governing the custody and retention of consulting engagement records, as well as their release to internal and external parties. These policies must be consistent with the organisation’s guidelines and any pertinent regulatory or other requirements.</p>	<p>There is evidence that CAE obtains appropriate approvals prior to releasing records.</p>		
2330 - IIA Conformance Assessment		Generally Conforms	
2340 Engagement Supervision			
<p>Engagements must be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed.</p>	<p>There is an organisational and reporting structure within the internal audit activity that provides the basis for supervision.</p>	<p>Organisational reporting and structure is detailed in the Charter and Strategy documents.</p> <p>Documented supervision notes are kept.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p><b>Interpretation:</b></p> <p>The extent of supervision required will depend on the proficiency and experience of internal auditors and the complexity of the engagement. The chief audit executive has overall responsibility for supervising the engagement, whether performed by or for the internal audit activity, but may designate appropriately experienced members of the internal audit activity to perform the review. Appropriate evidence of supervision is documented and retained.</p>	<p>Job descriptions document supervisory requirements.</p> <p>Policies and procedures describe how supervision is supposed to be applied – this incorporates review of work in progress, amendment or corrective actions, follow-up and approval.</p> <p>IA files/working papers and reports illustrate how supervision works in practice.</p> <p>The results of supervision are incorporated into the QAIP and staff appraisal assessments – and where appropriate training and development plans</p>	<p>Individual audit assignments are supervised by the CAE.</p>	
2340 - IIA Conformance Assessment		Generally Conforms	
2400 Communicating Results	Sum of Standards 2410-2440		
Internal auditors must communicate results of engagements.		A feedback meeting is held after each audit assignment.	
2400 - IIA Conformance Assessment		Generally Conforms	
2410 Criteria for Communicating			

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>Communications must include the engagement's objectives scope and results.</p> <p>2410.A1 Final communication of engagement results must, include applicable conclusions, as well as applicable recommendations and/or action plans. Where appropriate, the internal auditors' opinion should be provided. An opinion must take into account the expectations of senior management, the board and other stakeholders and must be supported by sufficient, reliable, relevant and useful information.</p> <p><b>Interpretation:</b></p> <p>Opinions at the engagement level may be ratings, conclusions or other descriptions of the results. Such an engagement may be in relation to controls around a specific process, risk or business unit. The formulation of such opinions requires consideration of the engagement results and their significance.</p>	<p>There is evidence of appropriate, timely communication with management throughout the audit engagement.</p> <p>This begins with discussions to research and scope an audit, leading to agreement upon objectives. Communication with managers also occurs as the audit engagement proceeds - discussing and analysing information.</p> <p>Close –out meetings that provide the basis for exchange views about conclusions, opinions and possible recommendations for improvement.</p> <p>An overall opinion or conclusion is included within audit communications in line with the stakeholder expectations and the original objectives of the audit engagement.</p> <p>Opinions are given according to the level, scope and detail agreed with senior management</p> <p>Opinions at the engagement level may be ratings, conclusions or other descriptions of the results.</p>	<p>Auditees are communicated with at each stage of the audit process. This is documented in the working papers and e-mail.</p>	

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>2410.A2 Internal auditors are encouraged to acknowledge satisfactory performance in engagement communications.</p> <p>2410.A3 When releasing engagement results to parties outside the organisation, the communication must include limitations on distribution and use of the results.</p> <p>2410.C1 Communication of the progress and results of consulting engagements will vary in form and content depending upon the nature of the engagement and the needs of the client.</p>	<p>Satisfactory performance is acknowledged in engagement communications.</p> <p>Communications outside the organisation are limited in distribution and use of results.</p> <p>There is evidence of progress and results on consulting engagements that is reasonable to the engagement.</p>		
2410 - IIA Conformance Assessment		Generally Conforms	
2420 Quality of Communications			
<p>Communications must be accurate, objective, clear, concise, constructive, complete, and timely.</p> <p><b>Interpretation:</b></p> <p>Accurate communications are free from errors and distortions and are faithful to the underlying facts. Objective communications are fair, impartial, and</p>	<p>There is a record of the timeline for the communication of results that spans the completion of the audit engagement through to communication with the board.</p> <p>There is a procedure that ensures discussions with managers between the close of the audit engagement and the</p>	<p>This is included in the audit brief. All stakeholders are kept informed during the audit process.</p> <p>There is a timeline shown on each audit report.</p>	



## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
unbiased and are the result of a fair-minded and balanced assessment of all relevant facts and circumstances. Clear communications are easily understood and logical, avoiding unnecessary technical language and providing all significant and relevant information. Concise communications are to the point and avoid unnecessary elaboration, superfluous detail, redundancy, and wordiness. Constructive communications are helpful to the engagement client and the organisation and lead to improvements where needed. Complete communications lack nothing that is essential to the target audience and include all significant and relevant information and observations to support recommendations and conclusions. Timely communications are opportune and expedient, depending on the significance of the issue, allowing management to take appropriate corrective action.	<p>delivery of communications are performed promptly.</p> <p>There is evidence to show IA communications are delivered in a timely manner and within the timeframe and level of resource set at the start of the audit engagement.</p> <p>Communications cover the full scope of the audit engagement.</p> <p>The form and style of communications has been discussed and agreed with senior management and the board including the method of communications, format, and any grading of opinions and recommendations.</p> <p>Communications are clear and concise.</p>		
2420 - IIA Conformance Assessment		Generally Conforms	
2421 Errors and Omissions			

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
If a final communication contains a significant error or omission, the chief audit executive must communicate corrected information to all parties who received the original communication.	Where appropriate, there is communication of corrected information to all parties.	Where appropriate this does happen.	
2421 - IIA Conformance Assessment		Generally Conforms	
2431 Engagement Disclosure of Non-conformance			
When non-conformance with the Code of Ethics or the Standards impacts a specific engagement, communication of the results must disclose the:  <ul style="list-style-type: none"><li>• Principle(s) or rule(s) of conduct of the Code of Ethics or the Standard(s) with which full conformance was not achieved.</li><li>• Reason(s) for non-conformance.</li><li>• Impact of non-conformance on the engagement and the communicated engagement results.</li></ul>	Where appropriate, communication of results discloses non-conformance with the PSIAS.  The nature of the non-conformance is discussed and reviewed with senior management and the board with a record of any agreed action	This is done when appropriate	
2431 - IIA Conformance Assessment		Generally Conforms	
2440 Disseminating Results			

## Internal Audit Standards Self - Assessment Compliance Checklist

Performance Standard	Key conformance criteria	EQA reviewer assessment, referenced to evidence	Comment
<p>The chief audit executive must communicate results to the appropriate parties.</p> <p><b>Interpretation:</b></p> <p>The chief audit executive is responsible for approving the final engagement communication before issuance and for deciding to whom and how it will be disseminated. When the chief audit executive delegates these duties, he or she retains overall responsibility.</p> <p>2440.A1 The chief audit executive is responsible for communicating the final results to parties who can ensure that the results are given due consideration.</p> <p>2440.A2 If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing results to parties outside the organisation the chief audit executive must:</p> <ul style="list-style-type: none"> <li>Assess the potential risk to the organisation;</li> <li>Consult with senior management and/or legal counsel as appropriate; and</li> </ul>	<p>All audit communications are reviewed and approved by the CAE.</p> <p>Audit communications are provided to an appropriate level of senior management and distributed according to the agreed protocol of the organisation.</p> <p>When an overall opinion is issued (perhaps in support of a statement on internal control), it covers an appropriate time period and addresses the expectations as agreed with the board, senior management and other stakeholders.</p> <p>The opinion is supported by sufficient, reliable, relevant and accurate information.</p> <p>If applicable, the CAE is properly consulted and has considered the risks of disclosure outside the organisation.</p> <p>Consulting engagement reports are distributed appropriately, as established at the start of the audit engagement</p>	<p>Final audit reports are issued by the CAE.</p> <p>Timelines are included on the audit reports, showing when fieldwork was conducted to final report.</p> <p>Audit opinions are reviewed by the CAE, evidence is reviewed to substantiate the opinion given.</p>	

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<ul style="list-style-type: none"><li>Control dissemination by restricting the use of the results.</li></ul> <p>2440.C1 The chief audit executive is responsible for communicating the final results of consulting engagements to clients.</p> <p>2440.C2 During consulting engagements, governance, risk management, and control issues may be identified. Whenever these issues are significant to the organisation, they must be communicated to senior management and the board.</p>			
2440 - IIA Conformance Assessment		Generally Conforms	
2450 Overall Opinions			
<p>When an overall opinion is issued, it must take into account the strategies, objectives, and risks of the organisation; and the expectations of senior management, the board and other stakeholders. The overall opinion must be supported by sufficient, reliable, relevant and useful information.</p> <p><b>Interpretation:</b></p>	<p>The annual opinion is delivered on time, taking account of the strategies, objectives, and risks of the organisation and in accordance with the expectations of senior management and the audit committee.</p> <p>The work completed in the annual internal audit plan is consistent with the opinion requirements.</p>	<p>The annual opinion is presented to the Audit Committee each year. This details the work completed during the year, which backs up the overall opinion of the internal control framework.</p> <p>See Internal Audit Annual Report.</p>	

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<p>The communication will include:</p> <ul style="list-style-type: none"><li>• The scope including the time period to which the opinion pertains.</li><li>• Scope limitations.</li><li>• Consideration of all related projects including the reliance on other assurance providers.</li><li>• A summary of the information that supports the opinion.</li><li>• The risk or control framework or other criteria used as a basis for the overall opinion.</li><li>• The overall opinion, judgment or conclusion reached.</li></ul> <p>The reasons for an unfavourable overall opinion must be stated</p>	<p>The overall opinion where appropriate takes into account the reliability of other assurance providers.</p> <p>There is a methodology and process in place to evaluate the cumulative results of audit assignments and audit findings to express such an opinion.</p>		
2450 - IIA Conformance Assessment		Generally Conforms	
2500 Monitoring Progress			
The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.	The CAE has established a follow-up process to monitor and ensure that management actions have been effectively implemented or risk accepted.	The audit administrator currently undertakes this task by asking auditees what the latest position. A revised follow-up procedure has now been introduced which requires the auditor to check for evidence that the	

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<p>2500.A1 The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.</p> <p>2500.C1 The internal audit activity must monitor the disposition of results of consulting engagements to the extent agreed upon with the client.</p>	<p>Records of follow-up meeting and discussions.</p> <p>There is a process that require internal audit to confirm the implementation of actions by management in relation to high priority, high importance areas.</p>	<p>recommendation has been implemented.</p>	
<b>2500 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	
<b>2600 Communicating the Acceptance of Risks</b>			
<p>When the chief audit executive concludes that senior management has accepted a level of residual risk that may be unacceptable to the organization, the chief audit executive must discuss the matter with senior management. If the chief audit executive concludes that the matter has not been resolved, the chief audit executive must communicate the matter to the board for resolution.</p> <p><b>Interpretation:</b></p>	<p>Decisions regarding residual risk that are not resolved are reported by the CAE to the board for resolution.</p> <p>The subsequent resolution/disposition of such residual risk issues is appropriately documented.</p> <p>IIA Conformance Assessment</p>	<p>Any residual risk issues are recorded and the CAE presents them to the Risk Management Group.</p>	

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The identification of risk accepted by management may be observed through an assurance or consulting engagement, monitoring progress on actions taken by management as a result of prior engagements, or other means. It is not the responsibility of the chief audit executive to resolve the risk.			
<b>2600 - IIA Conformance Assessment</b>		<b>Generally Conforms</b>	