

**INTERNAL AUDIT
– COMPLIANCE WITH THE CODE OF PRACTICE
FOR INTERNAL AUDIT IN LOCAL GOVERNMENT**

Key

Y = Yes, P = Partial, N = No.

Ref	Adherence to the Standard	Y	P	N	Evidence
1	Scope of Internal Audit				
1.1	Terms of Reference				
1.1.1	Do terms of reference:				
	(a) establish the responsibilities and objectives of Internal Audit?	✓			Approved Terms of Reference for Internal Audit (TOR)
	(b) establish the organisational independence of Internal Audit?	✓			TOR
	(c) establish the accountability, reporting lines and relationships between the Head of Internal Audit and:	✓			TOR
	(i) those charged with governance?				
	(ii) those parties to whom the Head of Internal Audit may report?	✓			TOR
	(d) recognise that Internal Audit's remit extends to the entire control of environment of the organisation?	✓			TOR 4.1
	(e) identify Internal Audit's contribution to the review of the effectiveness of the control environment?	✓			TOR 4.1
	(f) require and enable the Head of Internal Audit to deliver an annual audit opinion?	✓			TOR 7
	(g) define the role of Internal Audit in any fraud-related or consultancy work (see also 1.3.2)?	✓			TOR 5.3/5.5
	(h) explain how Internal Audit's resource requirements will be assessed?	✓			TOR 3.2/3.3
	(i) establish Internal Audit's right of access to all records, assets, personnel and premises, including those of partner organisations, and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities?	✓			TOR 5.1
1.1.2	Does the Head of Internal Audit advise the organisation on the content and the need for subsequent review of the terms of reference?	✓			NOV 2006 AUDIT COMMITTEE
1.1.3	Have the terms of reference been formally approved by the organisation?	✓			NOV 2006 AUDIT COMMITTEE
1.1.4	Are terms of reference regularly reviewed?	✓			Last review NOV 2006

Ref	Adherence to the Standard	Y	P	N	Evidence
1.2	Scope of Work				
1.2.1	Are the organisation's assurance, risk management arrangements and monitoring mechanisms taken into account when determining Internal Audit's work and where effort should be concentrated?	✓			ANNUAL PLAN PREPARATION – RISK ASSESSED
1.2.2	Where services are provided in partnership has the Head of Internal Audit identified:	✓			CONTRACTUAL ARRANGEMENTS INCLUDED IN AUDIT PLAN
	(a) how assurance will be sought?				
	(b) agreed access rights where appropriate?				
1.3	Other Work				
1.3.1	Where Internal Audit undertakes consultancy and/or fraud and corruption work, does it have the:	✓			AUDIT PLAN
	(a) skills, and				
	(b) resources to do this?				
1.3.2	Do the terms of reference define Internal Audit's role in:	✓			TOR 5.5 / 3.3 AUDIT PLAN
	(a) fraud and corruption?				
	(b) consultancy work?				
1.4	Fraud and Corruption				
1.4.1	Has the Head of Internal Audit made arrangements, within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?	✓			TOR 5.5
2	Independence				
2.1	Principles of Independence				
2.1.1	Is Internal Audit:				TOR 6
	(a) independent of the activities it audits?	✓			
	(b) free from any non-audit (operational) duties?	✓			
2.1.2	Where internal audit staff have been consulted during system, policy or procedure development, are they precluded from reviewing and making comments during routine or future audits?	✓			WORK SUBJECT TO PEER REVIEW
2.2	Organisational Independence				
2.2.1	Does the status of Internal Audit allow it to demonstrate independence?	✓			ORGANISATIONAL STRUCTURE
2.2.2	Does the Head of Internal Audit have direct access to:				TOR 6.11
	(a) officers?	✓			
	(b) members?	✓			

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2.2.3	Does the Head of Internal Audit report in his or her own name to members and officers?	✓			QUARTERLY AUDIT REPORTS TO CORPORATE MANAGEMENT TEAM AND TO AUDIT COMMITTEE
2.2.4	(a) Is there an assessment that the budget for Internal Audit is adequate?	✓			HEAD OF FINANCIAL SERVICES CONSULTS ON ADEQUATE BUDGET IN ACCORDANCE WITH AUDIT PLAN.
	(b) Does any budget delegated to service areas ensure that:	✓			
	(i) Internal Audit adherence to the Code is not compromised?	✓			
	(ii) the scope of Internal Audit is not affected?	✓			
	(iii) Internal Audit can continue to provide assurance for the Statement on Internal Control?	✓			
2.3	Status of the Head of Internal Audit				
2.3.1	Is the Head of Internal Audit managed by a member of the corporate management team?	✓			HEAD OF FINANCIAL SERVICES
2.4	Independence of Internal Audit Contractors				
2.4.1	Does the planning process recognise and tackle potential conflicts of interest where contractors also provide non-internal audit services?	✓			N/A WITH CURRENT CONTRACTORS
2.5	Declaration of Interest				
2.5.1	Do audit staff make formal declarations of interest?	✓			IN LINE WITH CORPORATE ARRANGEMENTS. COMPLIANCE WITH EMPLOYEES CODE OF CONDUCT & CODE OF CONDUCT FOR INVESTIGATORS
2.5.2	Does the planning process take account of the declarations of interest registered by staff?	✓			RECOGNISED WITHIN AUDIT PLAN
3	Ethics for Internal Auditors				
3.1	Purpose				
3.1.1	Does the Head of Internal Audit regularly remind staff of their ethical responsibilities?	✓			INTERNAL AUDIT EMPLOYEES -EMPLOYEE DEVELOPMENT REVIEW (EDR). CPD.
3.2	Integrity				
3.2.1	Has the internal audit team established an environment of trust and confidence?	✓			WELL RESPECTED. ADVICE SOUGHT ON NEW INITIATIVES AND ONGOING.
3.2.2	Do internal auditors demonstrate integrity in all aspects of their work?	✓			EDR; PEER REVIEW PROCESS
3.3	Objectivity				
3.3.1	Are internal auditors perceived as being objective and free from conflicts of interest?	✓			TOR 6 – INTERNAL AUDIT/ADVICE SOUGHT ON NEW INITIATIVES AND ONGOING.
3.3.2	Is a time period set by the Head of Internal Audit for staff where they do not undertake an audit in an area where they have had previous operational roles?	✓			MINIMUM OF ONE YEAR.
3.3.3	Are staff rotated on regular/annually audited areas?	✓			SMALL TEAM. AUDITS ROTATED TO WIDEN EXPERIENCE. EDR PROCESS

Ref	Adherence to the Standard	Y	P	N	Evidence
3.4	Competence				
3.4.1	Does the Head of Internal Audit ensure that staff have sufficient knowledge of:				DIVISIONAL BUSINESS PLAN EDR. INDUCTION PROCESS PREPARATION OF AUDIT BRIEF. PEER REVIEW MENTORING & COACHING ARRANGEMENT.
	(a) the organisation's aims, objectives, risks and governance arrangements?	✓			
	(b) the purpose, risks and issues of the service area?	✓			SMALL TEAM
	(c) the scope of each audit assignment?	✓			
	(d) relevant legislation and other regulatory arrangements that relate to the audit?	✓			
3.5	Confidentiality				
3.5.1	Do internal audit staff understand their obligations in respect to confidentiality?	✓			OFFICE PRACTICE, THROUGH RECRUITMENT & INDUCTION PROCESS. ICT SECURITY POLICY EDR PROCESS EMPLOYEE CODE OF CONDUCT.
4	Audit Committees				
4.1	Purpose of the Audit Committee				
4.1.1	Does the organisation have an independent audit committee?	✓			CONSTITUTION. TERMS OF REFERENCE OF AUDIT COMMITTEE
4.2	Internal Audit's Relationship with the Audit Committee				
4.2.1	Is there an effective working relationship between the audit committee and Internal Audit?	✓			THROUGH AUDIT COMMITTEE TOR
4.2.2	Does the committee approve the internal audit strategy and monitor progress?	✓			AUDIT COMMITTEE TOR STRATEGIC AUDIT PLAN AND ANNUAL PLAN REPORTED.
4.2.3	Does the committee approve the internal audit plan and monitor progress?	✓			AUDIT COMMITTEE TOR MARCH 2008
4.2.4	Does the Head of Internal Audit:				JOB DESCRIPTION OF FSM
	(a) attend the committee and contribute to its agenda?	✓			AUDIT COMMITTEE AGENDAS AND MINUTES
	(b) participate in the committee's review of its own remit and effectiveness?	✓			
	(c) ensure that the committee receives and understands documents that describe how Internal Audit will fulfil its objectives?	✓			
	(d) report on the outcomes of internal audit work to the committee?	✓			
	(e) establish if anything arising from the work of the committee requires consideration of changes to the audit plan, or vice versa?	✓			
	(f) present the annual internal audit report to the committee?	✓			
4.2.5	Is there the opportunity for the Head of Internal Audit to meet privately with the audit committee?	✓			AS REQUIRED – INTERNAL AUDIT TOR 6.11 AND 8.4

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5	Relationships				
5.1	Principles of Good Relationships				
5.1.1	Is there a protocol that defines the working relationship for Internal Audit with:	✓			CONTAINED WITHIN INTERNAL AUDIT LEAFLET AVAILABLE ON INTRANET
	(a) management?	✓			
	(b) other internal auditors?	✓			
	(c) external auditors?	✓			
	(d) other regulators and inspectors?	✓			
	(e) elected members?	✓			
5.2	Relationships with Management				
5.2.1	Does the Head of Internal Audit seek to maintain effective relationships between internal auditors and managers?	✓			MEETINGS WITH CHIEF OFFICERS. RECEIVE AND FOLLOW-UP QUERIES.
5.2.2	Is the timing of audit work planned in conjunction with management?	✓			THROUGH AUDIT BRIEF AGREEMENT. SEE AUDIT FILES
5.3	Relationships with Other Internal Auditors				
5.3.1	Do arrangements exist with other internal auditors that include joint working, access to working papers, respective roles and confidentiality?	✓			COMPUTER AUDIT OUTSOURCED. AUDIT FILES ARE RETAINED IN INTERNAL AUDIT.
5.4	Relationships with External Auditors				
5.4.1	Is it possible for Internal Audit and External Audit to rely on each other's work?	✓			MANAGED AUDIT APPROACH. EXTERNAL AUDIT RELIES ON INTERNAL AUDIT. IA RELY ON EXT AUDIT AS USED IN PREPARATION OF AUDIT PLAN.
5.4.2	Are there regular meetings between the Head of Internal Audit and the External Audit Manager?	✓			EXTERNAL AUDIT ATTEND AUDIT COMMITTEE. CHIEF AUDITOR MEETS EXTERNAL AUDIT REGULARLY THROUGHOUT EXTERNAL AUDIT PROCESS
5.4.3	Are the internal and external audit plans co-ordinated?	✓			ABSOLUTELY. TO ENSURE NO DUPLICATION & MAXIMISE AUDIT RESOURCE AVAILABLE TO WFDC
5.5	Relationships with Other Regulators and Inspectors?				
5.5.1	Has the Head of Internal Audit sought to establish a dialogue with the regulatory and inspection agencies that interact with the organisation?	✓			EXTERNAL AUDITORS – AUDIT COMMISSION & PREVIOUSLY KPMG
5.6	Relationships with Elected Members				
5.6.1	Do the terms of reference for Internal Audit define the channels of communication with members and describe how such relationships should operate?	✓			REPORTING LINES DEFINED THROUGH INTERNAL AUDIT TOR 6
5.6.2	Does the Head of Internal Audit maintain good working relationships with members?	✓			THROUGH AUDIT COMMITTEE. AGENDA BRIEFINGS HELD WITH CHAIR & VICE CHAIR & PORTFOLIO HOLDER

Ref	Adherence to the Standard	Y	P	N	Evidence
6	Staffing, Training and Continuing Professional Development				
6.1	Staffing Internal Audit				
6.1.1	Is Internal Audit appropriately staffed (numbers, grades, qualifications, personal attributes and experience) to achieve its objectives and comply with these standards?	✓			PLAN PREPARED ON NEEDS ASSESSMENT, ESTABLISHMENT, EDR
6.1.2	Does the Head of Internal Audit have access to appropriate resources where the necessary skills and expertise are not available within the internal audit team?	✓			REPORTS TO HEAD OF FINANCIAL SERVICES (SECTION 151 OFFICER). BUY IN COMPUTER AUDIT RESOURCE.
6.1.3	Is the Head of Internal Audit professionally qualified and experienced?	✓			QUALIFIED ACCOUNTANT FCA AND CPFA
6.1.4	Does the Head of Internal Audit have wide experience of internal audit management?	✓			1991 TO DATE FSM JOB DESCRIPTION
6.1.5	(a) Do all internal audit staff have up-to-date job descriptions?	✓			JOB DESCRIPTIONS.
	(b) Are there person specifications that define the required qualifications, competencies, skills, experience and personal attributes for internal audit staff?	✓			INCLUDED WITH JOB DESCRIPTIONS
6.2	Training and Continuing Professional Development				
6.2.1	(a) Has the Head of Internal Audit defined the skills and competencies for each level of auditor?	✓			WITHIN EACH JOB DESCRIPTION & PERSON SPEC
	(b) Are individual auditors periodically assessed against these predetermined skills and competencies?	✓			THROUGH EMPLOYEE DEVELOPMENT REVIEW (EDR) PROCESS
	(c) Are training or development needs identified and included in an appropriate ongoing development programme?	✓			THROUGH EDR PROCESS
	(d) Is the development programme recorded, regularly reviewed and monitored?	✓			THROUGH EDR PROCESS
6.2.2	Do individual auditors maintain a record of their professional training and development activities?	✓			HELD CENTRALLY AS WELL AS OWN CPD REQUIREMENTS.
7	Audit Strategy and Planning				
7.1	Audit Strategy				
7.1.1	(a) Is there an <i>internal audit</i> strategy for delivering the service?	✓			THREE YEAR STRATEGIC AUDIT PLAN 2006-2009 APPROVED AUDIT PANEL & CABINET MAR 2006.

Ref	Adherence to the Standard	Y	P	N	Evidence
					FINANCIAL SERVICES DIVISIONAL BUSINESS PLAN APPROVED BY CABINET WITH 6 MONTH UPDATE REPORT. INTERNAL AUDIT - TOR
	(b) Is it kept up to date with the organisation and its changing priorities?	✓			ON-GOING REVIEW IN YEAR AND PRIOR TO EACH FINANCIAL YEAR.
7.1.2	Does the strategy include:				
	(a) Internal Audit objectives and outcomes?	✓			AS FOR 7.1.1A
	(b) how the Head of Internal Audit will form and evidence his or her opinion on the control environment?	✓			INTERNAL AUDIT TOR NOV 2006
	(c) how Internal Audit's work will identify and address local and national issues and risks?	✓			AS FOR 7.1.1A
	(d) how the service will be provided, ie internally, or externally a mix of the two?	✓			3 YR STRATEGIC AUDIT PLAN 2006-2009 AND ANNUAL AUDIT PLANS
	(e) the resources and skills required to deliver the strategy?	✓			3 YR STRATEGIC AUDIT PLAN 2006-2009 AND ANNUAL AUDIT PLANS
7.1.3	Has the strategy been approved by the audit committee?	✓			APPROVED AUDIT PANEL AND CABINET MARCH 2006. AS FOR 7.1.1A
7.2	Audit Planning				
7.2.1	Is there a risk-based plan that is informed by the organisation's risk management, performance management and other assurance processes?	✓			ANNUAL PLAN AUDIT COMMITTEE MARCH 2008
7.2.2	Where the risk management process is not fully developed or reliable, does the Head of Internal Audit undertake his or her own risk assessment process?	✓			ANNUAL PLAN AUDIT COMMITTEE MARCH 2008
7.2.3	Are stakeholders consulted on the audit plan?	✓			FINANCIAL SERVICES MANAGER DISCUSSED EACH DIVISION'S REQUIREMENTS WITH EACH HEAD OF SERVICE. OVERALL PLAN REPORTED TO CMT 28.2.08
7.2.4	Does the plan demonstrate a clear understanding of the organisation's functions?	✓			FINANCIAL SERVICES MANAGER DISCUSSED EACH DIVISION'S REQUIREMENTS WITH EACH HEAD OF SERVICE. OVERALL PLAN REPORTED TO CMT 28.02.08
7.2.5	Does the plan:				
	(a) cover a fixed period of no longer than one year?	✓			AUDIT STRATEGY AND ANNUAL PLAN
	(b) outline the assignments to be carried out?	✓			WITHIN THE ANNUAL PLAN
	(c) prioritise assignments?	✓			HIGH PRIORITY GIVEN TO

Ref	Adherence to the Standard	Y	P	N	Evidence
					FUNDAMENTAL FINANCIAL SYSTEMS UNDERTAKEN EVERY YEAR.
	(d) estimate the resources required?	✓			ANNUAL PLAN MARCH 2008
	(e) differentiate between assurance and other work?	✓			ANNUAL PLAN MARCH 2008
	(f) allow a degree of flexibility?	✓			AUDIT STRATEGIC PLAN
7.2.6	If there is an imbalance between the resources available and resources needed to deliver the plan, is the audit committee informed of proposed solutions?	✓			ANNUAL PLAN MARCH 2008
7.2.7	Has the plan been approved by the audit committee?	✓			ANNUAL PLAN MARCH 2008
7.2.8	If significant matters arise that jeopardise the delivery of the plan, are these addressed and reported to the audit committee?	✓			PROGRESS REPORTED QUARTERLY TO AUDIT COMMITTEE
8	Undertaking Audit Work				
8.1	Planning				
8.1.1	(a) Is a brief prepared for each audit?	✓			BRIEF PREPARED FOR EACH AUDIT ASSIGNMENT/ AGREED WITH HEAD OF SERVICE.
	(b) Is the brief discussed and agreed with the relevant managers?	✓			
8.1.2	Does the brief set out:				
	(a) objectives?	✓			AUDIT MANUAL. SEE EACH REVIEW
	(b) scope?	✓			
	(c) timing?	✓			
	(d) resources?	✓			
	(e) reporting requirements?	✓			
8.2	Approach				
8.2.1	Is a risk-based audit approach used?	✓			AUDIT PLAN
8.2.2	Does the audit approach show when management should be informed of interim findings where key (serious) issues have arisen?	✓			INTERNAL AUDIT TOR
8.2.3	Does the audit approach include a quality review process for each audit?	✓			PEER REVIEW PROCESS SEE EACH REVIEW.
8.3	Recording Audit Assignments				
8.3.1	Has the Head of Internal Audit defined a standard for audit documentation and working papers?	✓			SEE AUDIT MANUAL
8.3.2	Do quality reviews ensure that the defined standard is followed consistently for all audit work?	✓			PEER REVIEW PROCESS SEE EACH REVIEW
8.3.3	Are working papers such that an experienced auditor can easily:				
	(a) identify the work that has been performed?	✓			AUDIT MANUAL
	(b) re-perform it if necessary?	✓			SEE EACH REVIEW
	(c) see how the work supports the	✓			PEER REVIEW PROCESS

Ref	Adherence to the Standard	Y	P	N	Evidence
	conclusions reached?				
8.3.4	Is there a defined policy for the retention of all audit documentation, both paper and electronic?	✓			CORPORATE DOCUMENT RETENTION PERIODS LOCATED ON AUDIT MANUAL
8.3.5	Do all retention and access policies conform to appropriate legislation, ie Data Protection Act, Freedom of Information Act, etc and any organisational requirements?	✓			
8.3.6	Is there an access policy for audit files and records?	✓			CLEAR DESK POLICY OPERATES IN INTERNAL AUDIT. FILES RETAINED IN AUDIT STORE ROOM. RETENTION POLICY
9	Due Professional Care (Note no 9.1)				
9.1	Responsibilities of the Individual Auditor				
9.1.1	Are there documents that set out the requirements on all audit staff in terms of:				
	(a) being fair and not allowing prejudice or bias to override objectivity?	✓			JOB DESCRIPTIONS REFER TO COMPLIANCE WITH THIS CODE OF PRACTICE.
	(b) declaring interests that could be perceived to be conflicting or could potentially lead to conflict?	✓			COUNCIL POLICY ON GIFTS AND HOSPITALITY
	(c) receiving and giving gifts and hospitality from employees, clients, suppliers or third parties?	✓			FRAUD & CORRUPTION CHECKLISTS COMPLETED ON AUDIT REVIEWS.
	(d) using all reasonable care in obtaining sufficient, relevant and reliable evidence on which to base conclusions?	✓			JOB DESCRIPTIONS REFER TO COMPLIANCE WITH THIS CODE OF PRACTICE. PEER REVIEW PROCESS
	(e) being alert to the possibility of intentional wrongdoing, errors or omissions, poor value for money, failure to comply with management policy or conflict of interest?	✓			EMPLOYEES CODE OF CONDUCT
	(f) having sufficient knowledge to identify indicators that fraud or corruption may have been committed?	✓			EDR PROCESS
	(g) disclosing all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice?	✓			EMPLOYEE'S CODE OF CONDUCT. JOB DESCRIPTIONS
	(h) disclosing any non-compliance with these standards?	✓			EMPLOYEE'S CODE OF CONDUCT. JOB DESCRIPTIONS
	(i) not using information they gain in the course of their duties for personal use?	✓			EMPLOYEE'S CODE OF CONDUCT. JOB DESCRIPTIONS
9.2	Responsibilities of the Head of Internal Audit				
9.2.1	Has the Head of Internal Audit established a monitoring and review programme to ensure	✓			ALLOCATION OF WORK. PEER REVIEW PROCESS. SIGN OFF BY FSM.

Ref	Adherence to the Standard	Y	P	N	Evidence
	that due professional care is achieved and maintained?				
9.2.2	Are there systems in place for individual auditors to disclose any suspicions of fraud, corruption or improper conducted?	✓			CONFIDENTIAL REPORTING PROCEDURE JOB DESCRIPTIONS
10	Reporting				
10.1.	Principles of Reporting				
10.1.1	Is an opinion on the control environment and risk exposure given in each audit report?	✓			SEE EACH REVIEW
10.1.2	Has the Head of Internal Audit determined the way in which Internal Audit will report?	✓			IA – TOR SEE EACH REVIEW INTERNAL AUDIT REPORTS TO AUDIT COMMITTEE
10.1.3	Has the Head of Internal Audit set out the standards for internal audit reporting?	✓			
10.1.4	Are there laid-down timescales for reports to be issued?	✓			WITHIN ANNUAL PLAN IN ACCORDANCE AUDIT STRATEGY.
10.2	Reporting on Audit Work				
10.2.1	Do the reporting standards include:				
	(a) format of the reports	✓			INCLUDED WITHIN THE AUDIT MANUAL
	(b) quality assurance of reports	✓			
	(c) the need to state the scope and purpose of the audit?	✓			SEE EACH REVIEW SEE INTERNAL AUDIT EXPLANATORY LEAFLET
	(d) the requirement to give an opinion?	✓			
	(e) process for agreeing reports with the recipient?	✓			
	(f) an action plan or record of points arising from the audit and, where appropriate, of agreements reached with management together with appropriate timescales?	✓			
10.2.2	Does the audit reporting process include discussion and agreement of reports?	✓			SEE INTERNAL AUDIT EXPLANATORY LEAFLET
10.2.3	Has the Head of Internal Audit determined a process for prioritising recommendations according to risk?	✓			QUARTERLY AUDIT REPORT IA TOR
10.2.4	Are areas of disagreement recorded appropriately?	✓			WITHIN EACH REVIEW
10.2.5	Are those weaknesses giving rise to significant risks that are not agreed drawn to the attention to senior management?	✓			QUARTERLY AUDIT REPORT REPORTED TO AND MONITORED BY CORPORATE MANAGEMENT TEAM . ALSO REPORTED TO AND MONITORED BY THE AUDIT COMMITTEE
10.2.6	Is the circulation of each audit report determined when preparing the audit brief?	✓			AUDIT BRIEF AGREED WITH RELEVANT HEAD OF SERVICE WHO ALLOCATED KEY CONTACT FOR THE INTERNAL AUDIT REVIEW AND RECIPIENTS OF REPORTS
10.2.7	(a) Does the reporting process include details of circulation of that particular audit report?	✓			
	(b) Is this included in the brief for each individual audit?	✓			SEE EACH AUDIT REVIEW

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10.2.8	Does the Head of Internal Audit have mechanisms in place to ensure that:				
	(a) recommendations that have a wider impact are reported to the appropriate forums?	✓			AUDIT TERMS OF REFERENCE QUARTERLY AUDIT REPORTS TO CORPORATE MANAGEMENT TEAM AND AUDIT COMMITTEE
	(b) risk registers are updated?	✓			EACH AUDIT REVIEW
10.3	Follow-up Audits and Reporting				
10.3.1	Has the Head of Internal Audit defined the need for and the form of any follow-up action?	✓			THREE MONTH FOLLOW UP UNDERTAKEN AFTER EACH FINAL AUDIT REPORT INTERNAL AUDIT RISK ASSESSMENTS UPDATED AFTER EACH REVIEW
10.3.2	Has the Head of Internal Audit established appropriate escalation procedures for internal audit recommendations not implemented by the agreed date?	✓			RECOMMENDATIONS MADE WITHIN AGREED FINAL REPORTS. THREE MONTH FOLLOW UP REVIEWS UNDERTAKEN ON POSITION OF IMPLEMENTING RECOMMENDATIONS. INTERNAL AUDIT RISK ASSESSMENTS UPDATED AFTER EACH REVIEW WHICH ARE TAKEN INTO ACCOUNT AT PREPARATION OF INTERNAL AUDIT PLAN HEADS OF SERVICE RESPONSIBLE FOR THE INTERNAL CONTROLS WITHIN THEIR AREAS OF RESPONSIBILITY.
10.3.3	Where appropriate, is a revised opinion given following a follow-up audit and reported to management?	✓			RESULTS FROM THREE MONTH FOLLOW UP REVIEWS REPORTED IN THE QUARTERLY AUDIT REPORT TO CMT AND AUDIT COMMITTEE. AUDIT COMMITTEE HAVE SIGHT OF ALL THOSE THREE MONTH FOLLOW UP REVIEWS WHERE SIGNIFICANT RECOMMENDATIONS NOT YET IMPLEMENTED
10.3.4	Are the findings of audits and follow-ups used to inform the planning of future audit work?	✓			INTERNAL AUDIT RISK ASSESSMENTS PREPARED AFTER EACH REVIEW AND INFORM FUTURE AUDIT PLANS
10.4.	Annual Reporting and Presentation of Audit Opinion				
10.4.1	Does the Head of Internal Audit provide an annual report to support the Statement of Internal Control?	✓			INTERNAL AUDIT TERMS OF REFERENCE AUDIT COMMITTEE MINUTES
10.4.2	Does the Head of Internal Audit's annual report:				INTERNAL AUDIT TERMS OF REFERENCE

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					AUDIT COMMITTEE MINUTES
	(a) include an opinion on the overall adequacy and effectiveness of the organisation's control environment?	✓			
	(b) disclose any qualifications to that opinion, together with the reasons for the qualification?	✓			
	(c) present as summary of the audit work from which the opinion was derived, including reliance placed on work by other assurance bodies?	✓			
	(d) draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Statement on Internal Control?	✓			
	(e) compare the actual work undertaken with the planned work and summarise the performance of the internal audit function against its performance measures and targets?	✓			
	(f) comment on compliance with the standards of the Code?	✓			
	(g) communicate the results of the internal audit quality assurance programme?	✓			
10.4.3	Has the Head of Internal Audit made provision for interim reporting to the organisation during the year?	✓			INTERNAL AUDIT TERMS OF REFERENCE
11	Performance, Quality and Effectiveness				
11.1	Principles of Performance, Quality and Effectiveness				
11.1.1	Is there an audit manual?	✓			SEE AUDIT MANUAL
11.1.2	Does the audit manual provide guidance on:	✓			
	(a) carrying out day-to-day audit work?	✓			
	(b) complying with the Code?	✓			
11.1.3	Is the audit manual reviewed regularly and updated to reflect changes in working practices and standards?	✓			UPDATED AS REQUIRED
11.1.4	Does the Head of Internal Audit have arrangements in place to assess the performance and effectiveness of:	✓			
	(a) each individual audit?	✓			PEER REVIEW BY AUDIT MANAGEMENT SIGN OFF BY CHIEF AUDITOR
	(b) the internal audit service as a whole?	✓			SERVICE REVIEW WITHIN BUSINESS PLAN; REPORTS TO CORPORATE MANAGEMENT TEAM AND AUDIT COMMITTEE; SURVEY OF USERS

Ref	Adherence to the Standard	Y	P	N	Evidence
11.2	Quality Assurance of Audit Work				
11.2.1	Does the Head of Internal Audit have a process in place to ensure that work is allocated to auditors who have the appropriate skills, experience and competence?	✓			SMALL SECTION EMPLOYEE DEVELOPMENT REVIEWS. PEER REVIEW MENTORING AND COACHING.
11.2.2	Does the Head of Internal Audit have a process in place to ensure that all staff are supervised appropriately throughout all audits?	✓			STRUCTURE OF INTERNAL AUDIT SECTION SMALL SECTION PEER REVIEW EMPLOYEE DEVELOPMENT REVIEW
11.2.3	Does the supervisory process cover:				STRUCTURE OF INTERNAL AUDIT SECTION
	(a) monitoring progress?	✓			SMALL SECTION
	(b) assessing quality of audit work?	✓			PEER REVIEW
	(c) coaching staff?	✓			EMPLOYEE DEVELOPMENT REVIEW
11.3	Performance and Effectiveness of the Internal Audit Service				
11.3.1	Does the Head of Internal Audit have a performance management and quality assurance programme in place?	✓			MONTHLY MEETING CHIEF AUDITOR; AUDIT MANAGER; & PRINCIPAL AUDITOR QUARTERLY AUDIT REPORT STATISTICS PEER REVIEW SURVEY TO USERS EMPLOYEE DEVELOPMENT REVIEW
11.3.2	Does the performance management and quality assurance framework include as a minimum:				
	(a) a comprehensive set of targets to measure performance:				
	(i) which are developed in consultation with appropriate parties?	✓			IN CONSULTATION WITH CORPORATE MANAGEMENT TEAM, AUDIT COMMITTEE, USERS & EXTERNAL AUDIT WHERE APPROPRIATE AS (I)
	(ii) which are included in service level agreements, where appropriate?	✓			
	(iii) against which the Head of Internal Audit measures, monitors and reports appropriately on progress?	✓			QUARTERLY AUDIT REPORTS TO CORPORATE MANAGEMENT TEAM & AUDIT COMMITTEE
	(b) user feedback obtained for each individual audit and periodically for the whole service?	✓			MEETINGS WITH CORPORATE MANAGEMENT TEAM USER QUESTIONNAIRES
	(c) a periodic review of the service against the strategy and the achievement of its aims and objectives, the results of which are used to inform the future strategy?	✓			MONTHLY, ANNUALLY AND AS REQUIRED IN YEAR.
	(d) Internal quality reviews to be undertaken periodically to ensure compliance with this Code and the audit manual?	✓			STRUCTURE OF INTERNAL AUDIT SECTION SMALL SECTION PEER REVIEW EMPLOYEE DEVELOPMENT REVIEW
	(e) an action plan to implement	✓			ITEMS ARE IDENTIFIED AND ACTIONED AS NECESSARY

Ref	Adherence to the Standard	Y	P	N	Evidence
	improvements?				
11.3.3	Does the Head of Internal Audit compare the performance and the effectiveness of the service over time, in terms of both the achievement of targets and the quality of the service provided to the user?	✓			CIPFA BENCHMARKING CLUB EXERCISES REPORTS TO AUDIT COMMITTEE ANNUAL EXTERNAL AUDIT REVIEW AND ASSESSMENT
11.3.4	Do the results of the performance management and quality assurance programme evidence that the internal audit service is:				STRUCTURE OF INTERNAL AUDIT SECTION SMALL SECTION PEER REVIEW EMPLOYEE DEVELOPMENT REVIEW
	(a) meeting its aims and objectives?	✓			QUARTER REPORT TO CORPORATE MANAGEMENT TEAM AND AUDIT COMMITTEE ANNUAL REPORT TO AUDIT COMMITTEE
	(b) compliance with the Code?	✓			AS 11.3.1 (a)
	(c) meeting internal quality standards?	✓			AS 11.3.1 (a)
	(d) effective, efficient, continuously improving?	✓			AS 11.3.1 (a) CIPFA BENCHMARKING CLUB EXERCISES NETWORKING VIA COUNTY & MIDLAND DISTRICT CHIEF AUDITORS GROUP
	(e) adding value and assisting the organisation in achieving its objectives?	✓			AS 11.3.1 (a)
11.3.5	Does the Head of Internal Audit report on the results of the performance management and quality assurance programme in the annual audit report?	✓			INTERNAL AUDIT TERMS OF REFERENCE ANNUAL REPORT TO AUDIT COMMITTEE
11.3.6	Does the Head of Internal Audit provide evidence from his or her review of the performance and quality of the internal audit service to the organisation for consideration as part of the annual review of the effectiveness of the system of internal audit?	✓			INTERNAL AUDIT TERMS OF REFERENCE ANNUAL REPORT TO AUDIT COMMITTEE