

Questions to consider	Evidence / comments
<b>1 Mission of Internal Audit</b>	
Based on your review of conformance with other requirements of the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), does the internal audit activity aspire to accomplish the Mission of Internal Audit as set out in the PSIAS? <i>To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.</i>	<b>Conforms</b>
<b>2 Definition of Internal Auditing</b>	
Based on your review of conformance with other requirements of the PSIAS and LGAN, is the internal audit activity independent and objective?	<b>Conforms</b>
Based on your review of conformance with other requirements of the PSIAS and LGAN, does the internal audit activity use a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation?	<b>Conforms</b>
<b>3 Core Principles</b>	
<b>Demonstrates integrity.</b> Having regard to your review of conformance with the Code of Ethics (Integrity, Seven Principles of Public Life), do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating integrity?	<b>Conforms</b>
<b>Demonstrates competence and due professional care.</b> Having regard to your review of conformance with the Code of Ethics (Competence,	<b>Conforms</b>

Questions to consider	Evidence / comments
Confidentiality, Seven Principles of Public Life) and any other evidence from the review of conformance with Standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating competence and due professional care?	
<p><b>Is objective and free from undue influence (independent).</b></p> <p>Having regard to your review of conformance with the Code of Ethics (Objectivity, Seven Principles of Public Life) and any other evidence from the review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being objective and free from undue influence (independent)?</p>	Conforms
<p><b>Aligns with the strategies, objectives, and risks of the organisation.</b></p> <p>Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being aligned with the strategies, objectives, and risks of the organisation?</p>	Conforms
<p><b>Is appropriately positioned and adequately resourced.</b></p> <p>Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being appropriately positioned and adequately resourced?</p>	Conforms
<p><b>Demonstrates quality and continuous improvement.</b></p> <p>Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating quality and continuous improvement?</p>	Conforms

Questions to consider	Evidence / comments
<p><b>Communicates effectively.</b></p> <p>Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by communicating effectively?</p>	Conforms
<p><b>Provides risk-based assurance.</b></p> <p>Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by providing risk-based assurance, based on adequate risk assessment?</p>	Conforms
<p><b>Is insightful, proactive, and future-focused.</b></p> <p>Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being insightful, proactive, and future-focused?</p>	Conforms
<p><b>Promotes organisational improvement.</b></p> <p>Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by promoting organisational improvement?</p>	Conforms
<b>4 Code of Ethics</b>	
<p><b>Integrity</b></p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display integrity by:</p> <ul style="list-style-type: none"> <li>Performing their work with honesty, diligence and responsibility?</li> <li>Observing the law and making disclosures expected by the law and the profession?</li> <li>Not knowingly partaking in any illegal activity nor engaging in acts that are discreditable</li> </ul>	Conforms

Questions to consider	Evidence / comments
<p>to the profession of internal auditing or to the organisation?</p> <ul style="list-style-type: none"> <li>Respecting and contributing to the legitimate and ethical objectives of the organisation?</li> </ul>	
<p><b>Objectivity</b></p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display objectivity by:</p> <ul style="list-style-type: none"> <li>Not taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment?</li> <li>Not accepting anything that may impair or be presumed to impair their professional judgement?</li> <li>Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?</li> </ul>	Conforms
<p><b>Confidentiality</b></p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display due respect and care by:</p> <ul style="list-style-type: none"> <li>Acting prudently when using information acquired in the course of their duties and protecting that information?</li> <li>Not using information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation?</li> </ul>	Conforms
<p><b>Competency</b></p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display competence by:</p> <ul style="list-style-type: none"> <li>Only carrying out services for which they have the necessary knowledge, skills and experience?</li> </ul>	Conforms

Questions to consider	Evidence / comments
<ul style="list-style-type: none"> <li>Performing services in accordance with the PSIAS?</li> <li>Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?</li> </ul>	
<p><b>Seven Principles of Public Life</b></p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors, whether consciously or through conformance with organisational procedures and norms, have due regard to the Committee on Standards of Public Life's <i>Seven Principles of Public Life</i>?</p>	Conforms
<b>5 Attribute Standards</b>	
<b>5.1 1000 Purpose, Authority and Responsibility</b>	
<p>Does the internal audit charter conform with the PSIAS by including a formal definition of:</p> <ul style="list-style-type: none"> <li>the purpose</li> <li>the authority, and</li> <li>the responsibility</li> </ul> <p>of the internal audit activity consistent with the Public Sector Internal Audit Standards (PSIAS)?</p>	Conforms
<p>Does the internal audit charter conform with the PSIAS by clearly and appropriately defining the terms 'board' and 'senior management' for the purposes of the internal audit activity?</p> <p>Note that it is expected that the audit committee will fulfil the role of the board in the majority of instances.</p>	Conforms

Questions to consider	Evidence / comments
<p>Does the internal audit charter also:</p> <ul style="list-style-type: none"> <li>• Set out the internal audit activity's position within the organisation?</li> <li>• Establish the chief audit executive's (CAE) functional reporting relationship with the board?</li> <li>• Establish the accountability, reporting line and relationship between the CAE and those to whom the CAE may report administratively? Where applicable, this will need to encompass shared service or external providers of internal audit, and the role of the contract manager.</li> <li>• Establish the responsibility of the board and also the role of the statutory officers (such as the CFO, the monitoring officer and the head of paid service) with regards to internal audit?</li> <li>• Establish internal audit's right of access to all records, assets, personnel and premises and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities?</li> <li>• Define the scope of internal audit activities?</li> <li>• Recognise that internal audit's remit extends to the entire control environment of the organisation?</li> <li>• Establish the organisational independence of internal audit?</li> <li>• Cover the arrangements for appropriate resourcing?</li> <li>• Define the role of internal audit in any fraud-related work?</li> <li>• Set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, requiring the CAE to be notified of all suspected or detected fraud, corruption or impropriety?</li> <li>• Include arrangements for avoiding conflicts of interest if internal audit or the CAE</li> </ul>	<p><b>Conforms</b></p>

Questions to consider	Evidence / comments
<p>undertakes non-audit activities?</p> <ul style="list-style-type: none"> <li>Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?</li> <li>Define the nature of consulting services?</li> <li>Recognise the mandatory nature of the PSIAS?</li> </ul>	
Does the CAE periodically review the internal audit charter and present it to senior management and the board for approval?	<b>Conforms</b>
<b>5.2 1100 Independence and Objectivity</b>	
<p>Does the CAE have direct and unrestricted access to senior management and the board?</p> <p>Does the CAE have free and unfettered access to, as well as communicate effectively with, the chief executive or equivalent and the chair of the audit committee?</p>	<b>Conforms</b>
<p>Does the CAE attend audit committee meetings?</p> <p>Does the CAE contribute to audit committee agendas?</p>	<b>Conforms</b>
<p>Are threats to objectivity identified and managed at the following levels:</p> <ul style="list-style-type: none"> <li>Individual auditor?</li> <li>Engagement?</li> <li>Functional?</li> <li>Organisation?</li> </ul>	<b>Conforms</b>

Questions to consider	Evidence / comments
<b>1110 Organisational Independence</b>	
<p>Does the CAE report to an organisational level equal or higher to the corporate management team?</p> <p>Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?</p>	<b>Conforms</b>
<p>Does the CAE's position in the management structure:</p> <ul style="list-style-type: none"> <li>• Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board?</li> <li>• Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management?</li> </ul>	<b>Conforms</b>
Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent?	<b>Conforms</b>



Questions to consider	Evidence / comments
<p>Is the organisational independence of internal audit realised by functional reporting by the CAE to the board?</p> <p>The 'Interpretation' to PSIAS 1110 provides examples of factors which may indicate that the CAE reports functionally to the Board, which include where the board:</p> <ul style="list-style-type: none"> <li>• approves the internal audit charter</li> <li>• approves the risk-based audit plan</li> <li>• approves the internal audit budget and resource plan</li> <li>• receives communications from the CAE on the activity's performance (in relation to the plan, for example)</li> <li>• approves decisions relating to the appointment and removal of the CAE</li> <li>• approves the remuneration of the CAE</li> <li>• seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.</li> </ul>	Conforms
<b>1111 Direct Interaction with the Board</b>	
Does the CAE communicate and interact directly with the board?	Conforms
<b>1112 Chief Audit Executive Roles Beyond Internal Auditing</b>	
<p>Where the CAE has roles or responsibilities that fall outside of internal auditing, are adequate safeguards in place to limit impairments to independence or objectivity?</p> <p>Does the board periodically review these safeguards?</p>	Conforms

Questions to consider	Evidence / comments
<b>1120 Individual Objectivity</b>	
Do internal auditors have an impartial, unbiased attitude?	<b>Conforms</b>
Do internal auditors avoid any conflict of interest, whether apparent or actual?	<b>Conforms</b>
<b>1130 Impairment to Independence or Objectivity</b>	
If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties (depending on the nature of the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)?	<b>No – This has not occurred</b>
Does review indicate that work allocations have operated so that internal auditors have not assessed specific operations for which they have been responsible within the previous year?	<b>Conforms</b>
If there have been any assurance engagements in areas over which the CAE also has operational responsibility, have these engagements been overseen by someone outside of the internal audit activity?	<b>No – This has not occurred</b>
Is the risk of over-familiarity or complacency managed effectively: for example by rotating assignments for ongoing assurance engagements and other audit responsibilities periodically within the internal audit team?	<b>Conforms</b>

Questions to consider	Evidence / comments
Have internal auditors declared interests in accordance with organisational requirements?	Conforms
Where any internal auditor has accepted any gifts, hospitality, inducements or other benefits from employees, clients, suppliers or other third parties (other than as may be allowed by the organisation's own policies), has this been declared and investigated fully?	Conforms
Does review indicate that no instances have been identified where an internal auditor has used information obtained during the course of duties for personal gain?	No – This has not occurred
Have internal auditors disclosed all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice, subject to any confidentiality agreements?	Conforms
If there has been any real or apparent impairment of independence or objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted?	Conforms
Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the board before the engagement was accepted?	Conforms
<b>5.3 1200 Proficiency and Due Professional Care</b>	
<b>1210 Proficiency</b>	
Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent? Is the CAE suitably experienced?	Conforms

Questions to consider	Evidence / comments
<p>Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?</p> <p>Does the CAE ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes?</p>	<b>Conforms</b>
<p>Having regard to the answers to the other questions in this section and other matters, does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?</p> <p>Where the internal audit activity does not possess the skills, knowledge and other competencies required to perform its responsibilities, does the CAE obtain competent advice and assistance?</p>	<b>Conforms</b>
Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	<b>Conforms</b>
Do internal auditors have sufficient knowledge of key information technology risks and controls?	<b>Conforms</b>
Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques?	<b>Conforms</b>

Questions to consider	Evidence / comments
<b>1220 Due Professional Care</b>	
<p>Do internal auditors 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> <li>• Adequacy and effectiveness of governance, risk management and control processes?</li> <li>• Probability of significant errors, fraud, or non-compliance?</li> <li>• Cost of assurance in relation to potential benefits?</li> </ul> <p>In doing the above, internal auditors must also consider how technology-based audit and other data analysis techniques can provide assurance.</p>	<b>Conforms</b>
<p>Do internal auditors 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> <li>• Relative complexity and extent of work needed to achieve the engagement's objectives?</li> <li>• Cost of the consulting engagement in relation to potential benefits?</li> </ul>	<b>Conforms</b>

Questions to consider	Evidence / comments
<b>1230 Continuing Professional Development</b>	
Has the CAE defined the skills and competencies for each level of auditor? Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	<b>Conforms</b>
Do internal auditors undertake a programme of continuing professional development? Do internal auditors maintain a record of their professional development and training activities?	<b>Conforms</b>
<b>5.4 1300 Quality Assurance and Improvement Programme</b>	
Has the CAE developed a QAIP that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated? Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement? Does the CAE maintain the QAIP? Are any statutory requirements for review of the internal audit activity satisfied?	<b>Conforms</b>
<b>1310 Requirements of the Quality Assurance and Improvement Programme</b>	
Does the QAIP include both internal and external assessments?	<b>Conforms</b>
<b>1311 Internal Assessments</b>	

Questions to consider	Evidence / comments
Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	<b>Conforms</b>
Do internal assessments include ongoing monitoring of the internal audit activity, such as: <ul style="list-style-type: none"> <li>• Routine quality monitoring processes?</li> <li>• Periodic assessments for evaluating conformance with the PSIAS?</li> </ul>	<b>Conforms</b>
Does ongoing performance monitoring contribute to quality improvement through the effective use of performance targets? <ul style="list-style-type: none"> <li>• Is there a set of comprehensive targets which between them encompass all significant internal audit activities?</li> <li>• Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?</li> <li>• Does the CAE measure, monitor and report on progress against these targets?</li> <li>• Does ongoing performance monitoring include obtaining stakeholder feedback?</li> </ul>	<b>Conforms</b>
Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices?  Sufficiency would require knowledge of the PSIAS and the wider guidance available such as the Local Government Application Note and/or IIA practice advisories, etc.	<b>Conforms</b>
Does the periodic assessment include a review of the activity against the risk-based plan and	<b>Conforms</b>

Questions to consider	Evidence / comments
the achievement of its aims and objectives?	
<b>1312 External Assessments</b>	
<p>Has an external assessment been carried out, or is one planned to be carried out, at least once every five years?</p> <p>Has the CAE discussed the alternative approaches to external assessment with the board? This should reflect the relative costs of the different approaches, the potential advantages of an external viewpoint, and whether there are factors which might be considered to warrant a demonstrably independent assessment.</p>	<b>Conforms</b>



Questions to consider	Evidence / comments
<p>Has the CAE properly discussed the qualifications and independence of the assessor or assessment team with the board?</p> <p>In doing this, the CAE should consider whether the assessor or assessment team has demonstrated its competence in both the professional practice of internal auditing <i>and</i> the external assessment process. Competence can be demonstrated through both experience and theoretical learning. Experience of similar organisations or sectors is more valuable than less relevant experience. In the case of an assessment team, not all members need to have all the competencies – it is the team as a whole that is qualified.</p> <p>If the capability of the assessor or assessment team is not immediately obvious, the CAE should document how they used professional judgement to decide whether this is sufficient to carry out the external assessment.</p> <p>If the assessor or assessment team has any real or apparent conflicts of interest with the organisation, this should be clearly explained to the board, and safeguards should be put in place to minimise the effect of this on the conduct of the external assessment.</p> <p>Conflict of interest may include, but is not limited to, being a part of or under the control of the organisation to which the internal audit activity belongs.</p>	<p><b>Conforms</b></p>
<p>Has the CAE agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the CFO or the chief executive?</p> <p>The CAE should also agree this scope with the external assessor or assessment team.</p>	<p><b>Conforms</b></p>

Questions to consider	Evidence / comments
<b>1320 Reporting on the Quality Assurance and Improvement Programme</b>	
<p>Has the CAE reported the results of the QAIP to senior management and the board?</p> <p>Note that:</p> <ul style="list-style-type: none"> <li>the results of both external and periodic internal assessment must be communicated upon completion</li> <li>the results of ongoing monitoring must be communicated at least annually</li> <li>the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.</li> </ul>	<b>Conforms</b>
Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	<b>Conforms</b>
<b>1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'</b>	
Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	<b>Conforms</b>
<b>1322 Disclosure of Non-conformance</b>	
Has the CAE reported any instances of non-conformance with the PSIAS to the board?	<b>Conforms</b>

Questions to consider	Evidence / comments
If appropriate, has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	Conforms
<b>6 Performance Standards</b>	
<b>6.1 2000 Managing the Internal Audit Activity</b>	
<i><b>2010 Planning</b></i>	
<p>Has the CAE determined the priorities of the internal audit activity in a risk-based plan and are these priorities consistent with the organisation's goals?</p> <p>Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?</p> <p>Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of:</p> <ul style="list-style-type: none"> <li>• How the internal audit service will be delivered?</li> <li>• How the internal audit service will be developed in accordance with the internal audit charter?</li> <li>• How the internal audit service links to organisational objectives and priorities?</li> </ul>	Conforms

Questions to consider	Evidence / comments
<p>Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?</p> <p>In developing the risk-based plan, has the CAE taken into account the organisation's risk management framework and relative risk maturity of the organisation?</p> <p>If such a risk management framework does not exist, has the CAE used their judgement of risks after input from senior management and the board and evidenced this?</p>	Conforms
<p>Does the risk-based plan set out the:</p> <ul style="list-style-type: none"> <li>• Audit work to be carried out?</li> <li>• Respective priorities of those pieces of audit work?</li> <li>• Estimated resources needed for the work?</li> </ul> <p>Does the risk-based plan differentiate between audit and other types of work?</p> <p>Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?</p>	Conforms
<p>Does the CAE review the plan on a regular basis and has he or she adjusted the plan when necessary in response to changes in the organisation's business, risks, operations, programmes, systems and controls?</p>	Conforms
<p>Is the internal audit activity's plan of engagements based on a documented risk assessment?</p> <p>Is the risk assessment used to develop the plan of engagements undertaken at least annually?</p>	Conforms

Questions to consider	Evidence / comments
<p>In developing the risk-based plan, has the CAE also given sufficient consideration to:</p> <ul style="list-style-type: none"> <li>Any declarations of interest (for the avoidance for conflicts of interest)?</li> <li>The requirement to use specialists, eg IT or contract and procurement auditors?</li> <li>Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary?</li> <li>The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CAE opinion?</li> </ul>	<p><b>Conforms</b></p>
<p>In developing the risk-based plan, has the CAE consulted with senior management and the board to obtain an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes?</p> <p>Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?</p>	<p><b>Conforms</b></p>

Questions to consider	Evidence / comments
<p>Does the CAE take into consideration any proposed consulting engagement's potential to improve the management of risks, to add value and to improve the organisation's operations before accepting them?</p> <p>Are consulting engagements that have been accepted included in the risk-based plan?</p>	Conforms
<b>2020 Communication and Approval</b>	
<p>Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?</p> <p>Has the CAE communicated any significant interim changes to the plan and/or resource requirements to senior management and the board for review and approval, where such changes have arisen?</p>	Conforms
Has the CAE communicated the impact of any resource limitations to senior management and the board?	Conforms
<b>2030 Resource Management</b>	
Does the risk-based plan explain how internal audit's resource requirements have been assessed?	Conforms
Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise disruption to the functions being audited, subject to the requirement to obtain sufficient assurance?	Conforms

Questions to consider	Evidence / comments
<p>If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board?</p> <p>This may include an imbalance between the work plan and resource availability and/or other significant matters that jeopardise the delivery of the plan or require it to be changed.</p>	Conforms
<b>2040 Policies and Procedures</b>	
<p>Has the CAE developed and put into place policies and procedures to guide the internal audit activity?</p> <p>Examples include maintaining an audit manual and/or using electronic management systems to guide staff in performing their duties in a manner that conforms to the PSIAS.</p> <p>Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?</p>	Conforms

Questions to consider	Evidence / comments
<b>2050 Coordination</b>	
<p>Does the risk-based plan include an adequately developed approach to using other sources of assurance and any work that may be required to place reliance upon those sources?</p> <p>The CAE should generally share information and coordinate activities with other internal and external providers of assurance and consulting services. They may also carry out an assurance mapping exercise, or make use of assurance mapping carried out by other assurance providers. They should also meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans.</p> <p>Where key organisational risks relate to work undertaken through partnerships, the auditor may be able to take assurance from work undertaken by others, or by obtaining assurance directly.</p>	<b>Partially Conforms</b>
<b>2060 Reporting to Senior Management and the Board</b>	
<p>Does the CAE report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan?</p> <p>Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?</p> <p>Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board?</p>	<b>Conforms</b>



Questions to consider	Evidence / comments
<b>2070 External Service Provider and Organisational Responsibility for Internal Auditing</b>	
Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation?	Not applicable.
<b>6.2 2100 Nature of Work</b>	
<b>2110 Governance</b>	
Does the internal audit activity assess and make appropriate recommendations to improve the organisation's governance processes for: <ul style="list-style-type: none"> <li>• Making strategic and operational decisions?</li> <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 and management?</li> </ul>	<b>Conforms</b>
Has the internal audit activity evaluated the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities? This is an area where the CAE may be able to use other sources of assurance.	<b>Conforms</b>

Questions to consider	Evidence / comments
Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives? This is an area where the CAE may be able to use other sources of assurance.	Conforms
<b>2120 Risk Management</b>	
<p>Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that:</p> <ul style="list-style-type: none"> <li>• 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?</li> <li>• Relevant risk information is captured and communicated in a timely manner across the organisation, thus enabling the staff, management and the board to carry out their responsibilities?</li> </ul>	Conforms

Questions to consider	Evidence / comments
<p>Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the:</p> <ul style="list-style-type: none"> <li>• 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?</li> <li>• Compliance with laws, regulations, policies, procedures and contracts?</li> </ul>	<p><b>Conforms</b></p>
<p>Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?</p> <p>CIPFA has issued a <i>Code of Practice on Managing the Risk of Fraud and Corruption</i>, and strongly recommends that it is used as the basis for assessment of how an authority manages its fraud risk.</p>	<p><b>Conforms</b></p>
<p>Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?</p> <p>Are internal auditors alert to other significant risks when undertaking consulting engagements?</p> <p>Do internal auditors incorporate knowledge of risks gained from consulting engagements into their evaluation of the organisation's risk management processes?</p>	<p><b>Conforms</b></p>

Questions to consider	Evidence / comments
Do internal auditors successfully avoid managing risks themselves, which would in effect lead to taking on management responsibility, when assisting management in establishing or improving risk management processes?	<b>Conforms</b>
<b>2130 Control</b>	
<p>Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the:</p> <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?</li> <li>• Compliance with laws, regulations, policies, procedures and contracts?</li> </ul>	<b>Conforms</b>
Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	<b>Conforms</b>

Questions to consider	Evidence / comments
<b>6.3 2200 Engagement Planning</b>	
<p>Do internal auditors develop and document a plan for each engagement?</p> <p>Does the engagement plan include the engagements:</p> <ul style="list-style-type: none"> <li>• Objectives?</li> <li>• Scope?</li> <li>• Timing?</li> <li>• Resource allocations?</li> </ul>	<b>Conforms</b>
<p>Do internal auditors consider the following in planning an engagement, and is this documented:</p> <ul style="list-style-type: none"> <li>• The objectives of the activity being reviewed?</li> <li>• The means by which the activity controls its performance?</li> <li>• The significant risks to the activity being audited?</li> <li>• The activity's resources?</li> <li>• The activity's operations?</li> <li>• 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 management and control processes?</li> </ul>	<b>Conforms</b>

Questions to consider	Evidence / comments
<p>Where an engagement plan has been drawn up for an audit to a party outside of the organisation, have the internal auditors established a written understanding with that party about the following:</p> <ul style="list-style-type: none"> <li>• Objectives?</li> <li>• Scope?</li> <li>• The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)?</li> </ul>	Conforms
<p>For consulting engagements, have internal auditors established an understanding with the engagement clients about the following:</p> <ul style="list-style-type: none"> <li>• Objectives?</li> <li>• Scope?</li> <li>• The respective responsibilities of the internal auditors and the client and other client expectations?</li> </ul> <p>For significant consulting engagements, has this understanding been documented?</p>	Conforms

Questions to consider	Evidence / comments
<b>2210 Engagement Objectives</b>	
<p>Have objectives been agreed for each engagement?</p> <p>Have internal auditors carried out a preliminary risk assessment of the activity under review?</p> <p>Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?</p> <p>Have internal auditors considered the probability of the following when developing the engagement objectives:</p> <ul style="list-style-type: none"> <li>• Significant errors?</li> <li>• Fraud?</li> <li>• Non-compliance?</li> <li>• Any other risks?</li> </ul>	<b>Partially Conforms</b>
Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether organisational objectives and goals have been accomplished?	<b>Conforms</b>
If the criteria has been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?	<b>Conforms</b>
If the criteria has been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	<b>Conforms</b>
If the value for money criteria has been referred to, has the use of all the organisation's main	<b>Partially Conforms</b>

Questions to consider	Evidence / comments
types of resources been considered, including money, people and assets?	
<p>Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?</p> <p>Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?</p>	Conforms
<b>2220 Engagement Scope</b>	
<p>Is the scope that is established for each engagement generally sufficient to satisfy the engagement's objectives?</p> <p>Does the scope for each engagement include consideration of relevant systems, records, personnel and physical properties? Does this consideration include areas under the control of outside parties, where appropriate?</p>	Conforms
<p>Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up?</p> <p>Where significant consulting opportunities have arisen during an assurance engagement, were the results of the subsequent engagement communicated in accordance with the relevant consulting standards?</p>	Conforms



Questions to consider	Evidence / comments
<p>For each consulting engagement, was the scope of the engagement generally sufficient to address any agreed-upon objectives?</p> <p>If the internal auditors developed any reservations about the scope of a consulting engagement while undertaking that engagement, did they discuss those reservations with the client and therefore determine whether or not to continue with the engagement?</p> <p>During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?</p> <p>During consulting engagements, were internal auditors alert to any significant control issues?</p>	<p><b>Conforms</b></p>
<p><b>2230 Engagement Resource Allocation</b></p>	
<p>Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of each engagement based on:</p> <ul style="list-style-type: none"> <li>a) The nature and complexity of the individual engagement?</li> <li>b) Any time constraints?</li> <li>c) The resources available?</li> </ul>	<p><b>Conforms</b></p>

Questions to consider	Evidence / comments
<b>2240 Engagement Work Programme</b>	
<p>Have internal auditors developed and documented work programmes that achieve the engagement objectives?</p> <p>Do the engagement work programmes include procedures for:</p> <ul style="list-style-type: none"> <li>• Identifying information?</li> <li>• Analysing information?</li> <li>• Evaluating information?</li> <li>• Documenting information?</li> </ul> <p>Were work programmes approved prior to implementation for each engagement?</p> <p>Were any adjustments required to work programmes approved promptly?</p>	<b>Conforms</b>
<b>6.4 2300 Performing the Engagement</b>	
<b>2310 Identifying Information</b>	
<p>Do internal auditors generally identify (sufficient, reliable, relevant and useful) information which supports engagement results and conclusions?</p>	<b>Conforms</b>

Questions to consider	Evidence / comments
<b>2320 Analysis and Evaluation</b>	
Have internal auditors generally based their conclusions and engagement results on appropriate analyses and evaluations?	<b>Conforms</b>
Have internal auditors generally remained alert to the possibility of the following when performing their individual audits, and has this been documented: <ul style="list-style-type: none"> <li>• Intentional wrongdoing?</li> <li>• Errors and omissions?</li> <li>• Poor value for money?</li> <li>• Failure to comply with management policy?</li> <li>• Conflicts of interest?</li> </ul>	<b>Conforms</b>
<b>2330 Documenting Information</b>	
Have internal auditors documented the relevant information required to support engagement conclusions and results?  Are working papers sufficiently complete and detailed to enable another experienced internal auditor with no previous connection with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached?	<b>Conforms</b>

Questions to consider	Evidence / comments
<p>Does the CAE control access to engagement records?</p> <p>Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?</p> <p>Has the CAE developed and implemented retention requirements for all types of engagement records?</p>	Conforms
<p>Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?</p>	Conforms
<b>2340 Engagement Supervision</b>	
<p>Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?</p> <p>Is appropriate evidence of supervision documented and retained for each engagement?</p>	Conforms

Questions to consider	Evidence / comments
<b>6.5 2400 Communicating Results</b>	
<b><i>2410 Criteria for Communicating</i></b>	
<p>Do the communications of engagement results include the following:</p> <ul style="list-style-type: none"> <li>• The engagement's objectives?</li> <li>• The scope of the engagement?</li> <li>• Applicable conclusions?</li> <li>• Recommendations and action plans, if appropriate?</li> </ul>	<b>Conforms</b>
Do internal auditors generally discuss the contents of the draft final reports with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions?	<b>Conforms</b>
<p>If recommendations and an action plan have been included, are recommendations prioritised according to risk?</p> <p>If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?</p> <p>If there are any areas of disagreement between the internal auditor and management, which cannot be resolved by discussion, are these recorded in the action plan and the residual risk highlighted?</p>	<b>Conforms</b>

Questions to consider	Evidence / comments
<p>Subject to confidentiality requirements and other limitations on reporting, do communications disclose all material facts known to them in their audit reports which, if not disclosed, could distort their reports or conceal unlawful practice?</p> <p>When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?</p>	Conforms
<p>Opinions should be supported by sufficient, reliable, relevant and useful information (in line with responses to questions for PSIAS 2300).</p> <p>Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?</p>	Conforms
<p>When engagement results have been released to parties outside of the organisation, does the communication include limitations on the distribution and use of the results?</p>	Conforms
<p>Where the CAE has been required to provide assurance to other partnership organisations, or arm's length bodies such as trading companies, have the risks of doing so been managed effectively, having regard to the CAE's primary responsibility to the management of the organisation for which they are engaged to provide internal audit services?</p>	Conforms
<b>2420 Quality of Communications</b>	
<p>Are internal audit communications generally accurate, objective, clear, concise, constructive, complete and timely?</p>	Conforms
<b>2421 Errors and Omissions</b>	

Questions to consider	Evidence / comments
If a final communication has contained a significant error or omission, did the CAE communicate the corrected information to all parties who received the original communication?	<b>Conforms</b> S.
<b>2430 Use of ‘Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing’</b>	
Do internal auditors report that engagements are ‘conducted in conformance with the PSIAS’ only if the results of the QAIP support such a statement?	<b>Conforms</b>
<b>2431 Engagement Disclosure of Non-conformance</b>	
Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following: <ul style="list-style-type: none"> <li>• The principle or rule of conduct of the <i>Code of Ethics</i> or <i>Standard(s)</i> with which full conformance was not achieved?</li> <li>• The reason(s) for non-conformance?</li> <li>• The impact of non-conformance on the engagement and the engagement results?</li> </ul>	<b>Conforms</b>
<b>2440 Disseminating Results</b>	
Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	<b>Conforms</b>
Has the CAE communicated engagement results to all appropriate parties?	<b>Conforms</b>

Questions to consider	Evidence / comments
<p>Before releasing engagement results to parties outside the organisation, did the CAE:</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?</li> <li>Control dissemination by restricting the use of the results?</li> </ul>	Conforms
Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	Conforms
<b>2450 Overall Opinion</b>	
<p>Has the CAE delivered an annual internal audit opinion?</p> <p>Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?</p> <p>Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?</p> <p>Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information (having regard to the answers to questions on PSIAS 2300)?</p>	Conforms
<p>Does the communication identify the following:</p> <ul style="list-style-type: none"> <li>The scope of the opinion, including the time period to which the opinion relates?</li> <li>Any scope limitations?</li> <li>The consideration of all related projects including the reliance on other assurance?</li> <li>The risk or control framework or other criteria used as a basis for the overall opinion?</li> </ul> <p>Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for</p>	Conforms



Questions to consider	Evidence / comments
that opinion stated? Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?	

Questions to consider	Evidence / comments
<p>Does the annual report incorporate the following:</p> <ul style="list-style-type: none"> <li>• The annual internal audit opinion?</li> <li>• A summary of the work that supports the opinion?</li> <li>• A disclosure of any qualifications to the opinion?</li> <li>• The reasons for any qualifications to the opinion?</li> <li>• A disclosure of any impairments or restriction in scope?</li> <li>• A comparison of work actually carried out with the work planned?</li> <li>• A statement on conformance with the PSIAS?</li> <li>• The results of the QAIP?</li> <li>• Progress against any improvement plans resulting from the QAIP?</li> <li>• A summary of the performance of the internal audit activity against its performance measures and targets?</li> </ul> <p>Any other issues that the CAE judges is relevant to the preparation of the governance statement?</p>	Conforms
<b>6.6 2500 Monitoring Progress</b>	
<p>Where issues have arisen during the follow-up process (for example, where agreed actions have not been implemented), has the CAE considered revising the internal audit opinion?</p> <p>Do the results of monitoring management actions inform the risk-based planning of future audit work?</p>	Conforms
Does the internal audit activity monitor the results of consulting engagements as agreed with	Conforms

Questions to consider	Evidence / comments
the client?	
<b>6.7 2600 Communicating the Acceptance of Risks</b>	
<p>If the CAE has concluded that management has accepted a level of risk that may be unacceptable to the organisation, has he or she discussed the matter with senior management?</p> <p>If, after discussion with senior management, the CAE continues to conclude that the level of risk may be unacceptable to the organisation, has he or she communicated the situation to the board?</p>	<b>Conforms</b>