

APPENDIX 1

Self-Assessment against the requirements of the Public Sector Internal Audit Standards for 2016/2017

Ref	Requirement	Current position	Actions required
1000.A1	<p>The nature of assurance services provided to the organisation must be defined in the internal audit charter. If assurance services 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>The charter must include:-</p> <ul style="list-style-type: none"> Internal audit activity's purpose, authority and responsibility; Position of IA within the authority; Authorisation of access to records, personnel and physical properties; Definition of the scope of internal audit activities; Definition of the terms 'board' and senior management for the purposes of IA activity; Arrangements for appropriate resourcing; Definition of the role of IA within any fraud related work; and Arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities. 	<p>Audit Charter approved by the Audit Panel on 31 May 2016.</p> <p>No non-audit tasks undertaken.</p>	
1000.C1	The nature of consulting services must be defined in the audit charter.	Defined in the Audit Charter and included in the Audit Plan and any changes would be reported to the Audit Panel in year.	
1010	<p><u>Recognition of the Definition of Internal Auditing, the Code of Ethics and the Standards in the Internal Audit Charter</u></p> <p>The chief internal auditor should discuss the mandatory nature of the definition of internal auditing, the Code of Ethics and the Standards with senior management and the board.</p>	Compliant – This is built into the annual report and the audit plan.	
1100	<u>Independence and Objectivity</u>		

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	<p>The chief internal auditor has unrestricted access to senior management and the board.</p> <p>Objectivity requires that internal auditors do not subordinate their judgement on audit matters to others. Threats to objectivity must be managed at the individual auditor, functional and operational levels.</p>	<p>Access is available when needed.</p> <p>Any concerns would be reported to the Principal Auditors or the CIA.</p>	
1110	<p><u>Organisational Independence</u></p> <p>The chief internal auditor must confirm to the board, at least annually, the organisational independence of the internal audit activity.</p> <p>The chief internal auditor must have free and unfettered access to the chief executive and the chair of the audit committee</p> <p>The chief internal auditor should report functionally to the board, examples of functional reporting to the board involve the board:-</p> <p>Approving the internal audit charter;</p> <p>Approving the risk based audit plan;</p> <p>Approving the internal audit budget and resource plan;</p> <p>Receiving communications from the chief internal auditor on the internal audit activity's performance relative to its plan and other matters;</p> <p>Approving decisions regarding the appointment and removal of the chief internal auditor;</p> <p>Approving the remuneration of the chief internal auditor¹; and</p> <p>Making appropriate enquiries of management and the chief internal auditor to determine whether there are inappropriate scope or resource limitations.</p>	<p>Confirmed in both the Annual Report and the Audit Plan Report presented to the Audit Panel and the Greater Manchester Pension Fund Local Board.</p> <p>Available if needed.</p> <p>Compliant – All aspects are covered and reported to the Audit Panel.</p>	

¹ Governance requirements in the UK Public Sector would not generally involve the board approving the chief internal auditor's remuneration specifically. The underlying principle is that the independence of the CIA is safeguarded by ensuring his or her remuneration is not inappropriately influenced by those subject to audit. In the UK public sector, this can be achieved by ensuring that the chief executive (or equivalent) countersigns, contributes feedback to or reviews the performance appraisal of the CIA and that feedback is also sought from the chair of the audit committee.

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1110.A1	The internal audit activity must be free from interference in determining the scope of internal auditing, performing work and communicating results.	Compliant – Whilst consultation is undertaken the final decision rests with the CIA/Principal Auditors and team.	
1111	<u>Direct Interaction with the Board</u> The Chief Internal Auditor must communicate and interact directly with the board.	Compliant - The Head of Risk Management and Audit Services (CIA) reports directly to the Audit Panel and the Greater Manchester Pension Fund Local Board.	
1120	<u>Individual Objectivity</u> Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest.	Compliant – Declaration of Interest forms are in place. Staff are experienced and would report any conflicts to their Principal Auditor or the CIA.	
1130	<u>Impairment to Independence or Objectivity</u> If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties.	If applicable this would be reported to the Principal Auditors or the CIA.	
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.	Compliant – Auditors do not give assurance on an activity they have had responsibility for. Limited risk, as the majority of the team has been together for a number of years. Any new staff would be assessed and their work managed accordingly.	
1130.A2	Assurance engagements for functions over which the chief internal auditor has responsibility must be overseen by a party outside the internal audit activity.	Yes this would be done.	
1130.C1	Internal auditors may provide consulting services relating to	Compliant – If an auditor has previous knowledge of an area then it can	

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	operations for which they had previous responsibilities.	assist in consultancy work and this would reduce the time taken. Sometimes though it is recognised that somebody without knowledge is preferred to bring a fresh approach.	
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. Public sector requirement – Approval must be sought from the board for any significant additional consulting activities not already included in the audit plan, prior to accepting the engagement.	Compliant - Changes to the audit plan are reported to the Audit Panel and the Greater Manchester Pension Fund Local Board.	
1200	Engagements must be performed with proficiency and due professional care.	Experienced staff in place.	
1210	Public Sector Requirement – the Chief Internal Auditor must hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.	Compliant - CIA holds the CIPFA Qualification.	
1210.A1	The chief internal auditor 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.	This is undertaken when and where appropriate.	
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.	Compliant - Staff are very experienced in the audit team. Any issues detected are discussed with the Principal Auditors/CIA and a plan of action put in place and liaison would take place with the Fraud Investigator.	
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	Compliant. The services of Salford Computer Audit are procured for ICT specific	

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	auditors are expected to have the expertise of an internal auditor whose primary responsibility is information technology auditing.	audits and for the provision of support and advice.	
1210.C1	The chief internal auditor 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.	Compliant – If applicable this would be addressed by either declining the engagement or by providing the relevant training for the auditor(s) involved.	
1220	Due Professional Care – Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.	Compliant – Experienced team in place.	
1220.A1	Internal auditors must exercise due professional care by considering the:- <ul style="list-style-type: none"> • Extent of work needed to achieve the engagement’s objectives; • Relative complexity, materiality or significance of matters to which assurance procedures are applied; • Adequacy and effectiveness of governance, risk management and control processes; • Probability of significant errors, fraud or non-compliance; and • Cost of assurance in relation to potential benefits. 	Compliant – Experienced team in place.	
1220.A2	In exercising due professional care auditors must consider the use of technology-based audit and other data analysis techniques.	IDEA used.	
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.	Risks are identified by the Auditor initially and then discussed with the Principal Auditor as per the audit process and confirmed with senior management as part of the terms of reference process. In relation to the wider picture Team Briefings are held to ensure that corporate messages	

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		are disseminated to the team. The Wire and the Chief Executive's Brief also provide regular corporate information. All reports are reviewed by the CIA.	
1220.C1	<p>Internal auditors must exercise due professional care during a consultancy engagement by considering the:-</p> <ul style="list-style-type: none"> • Needs and expectations of clients, including the nature, timing and communication of engagement results; • Relative complexity and extent of work needed to achieve the engagement's objectives; and • Cost of the consulting engagement in relation to potential benefits. 	Compliant – Experienced team in place.	
1230	Continuing Professional Development – Internal auditors must enhance their knowledge, skills and other competencies through Continual Professional Development.	In Place – Annual Development Reviews are undertaken annually and where appropriate they cover Continual Professional Development. Whilst training budgets are limited alternative ways to enhance knowledge and skills are encouraged.	
1300	<p><u>Quality Assurance and Improvement Programme</u></p> <p>The chief internal auditor must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.</p> <p>The QA programme should enable an evaluation to be made of the internal audit activity's conformance with the <i>Definition of Internal Auditing</i> and the <i>Standards</i> and an evaluation of whether internal auditors apply the <i>Code of Ethics</i>.</p> <p>The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.</p>	<p>Quality assurance process in place.</p> <p>Performance is measured annually and reported to the Audit Panel.</p> <p>Compliance with auditing standards has been assessed for many years and will continue into the future.</p> <p>Continual improvement is built into the process. Auditors are aware of the</p>	Galileo (the audit management system) was updated in March 2017. Options offered by the new version of the software will be reviewed in Quarter 1 and working practices assessed to capture any improvements in efficiency.

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		need to identify opportunities for improvement and challenge why we do what we do.	
1310	<p><u>Requirements of the Quality Assurance and Improvement Programme</u></p> <p>The quality assurance and improvement programme must include both internal and external assessments.</p>	<p>Both conducted. Customer questionnaires are issued with all Final Reports and meetings are held with Senior Officers, Executive Members and External Audit to discuss progress and performance.</p> <p>An external assessment of the service will be conducted during 2017/18.</p>	
1311	<p>Internal assessments must include:-</p> <p>On-going monitoring of the performance of the internal audit activity; and</p> <p>Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.</p>	<p>Quality assurance process in place within IA.</p> <p>Customer Questionnaires are used.</p> <p>IA has been assessed against the CIPFA Code of Practice for many years and is now assessed annually against the PSIAS.</p>	
1312	<p>External assessments must be carried out at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The chief internal auditor must discuss with the board:-</p> <ul style="list-style-type: none"> • The form of external assessments; and • The qualifications and independence of the external assessor or assessment team, including any potential conflict of interest. <p>External assessments can be in the form of a full external assessment, or a self-assessment with independent external validation.</p> <p>The chief internal auditor must agree the scope of external assessments with an appropriate sponsor, e.g. the Accounting / Accountable officer or the chair of the audit committee as well as with</p>	<p>Peer Reviews will be conducted across the North West Audit Executive Group.</p>	

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	the external assessor or assessment team.		
1320	<p><u>Reporting on the Quality Assurance and Improvement Programme</u></p> <p>The chief internal auditor must communicate the results of the quality assurance and improvement programme to senior management and the board.</p> <p>Public sector requirement – the results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report.</p>	<p>Benchmarking and Performance Indicators are reported to the Audit Panel.</p> <p>Performance is discussed with Senior Managers, Executive Members and External Audit regularly.</p>	
1321	<p><u>Use of ‘Conforms with the International Standards for the Professional Practice of Internal Auditing’.</u></p> <p>The chief internal auditor may state that the internal audit activity conforms with the International Standards for the Professional Practice of Internal Auditing only if the results of the quality assurance and improvement programme support this statement.</p> <p>Interpretation: The internal audit activity conforms with the Standards when it achieves the outcomes described in the definition of Internal Auditing, Code of Ethics and Standards.</p>	Compliant.	
1322	<p><u>Disclosure of Non-conformance</u></p> <p>When non-conformance with the definition of Internal Auditing, the Code of Ethics or the Standards impacts on the overall scope or operation of the internal audit activity, the chief internal auditor must disclose the non-conformance and the impact to senior management and the board.</p> <p>Public sector requirement – Instances of non-conformance must be reported to the board. More significant deviations must be considered for inclusion in the governance statement.</p>	Any non-conformance would be reported to the Audit Panel at the annual review.	
2000	<u>Managing the Internal Audit Activity</u>		

Ref	Requirement	Current position	Actions required
	The chief internal auditor must establish an annual risk based audit plan. The plan should take account of the risk management framework, including risk appetite levels set by management for the different activities or parts of the organisation. If the risk management framework is not well established, then the head of internal audit must use their own judgement of risks after consideration of input from senior management and the board. The chief internal auditor must review and adjust the plan as necessary in response to changes in the organisation's business, risks, operations, programs, systems and controls.	Compliant – A risk based plan is in place.	
2010.A	The internal audit activity's 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.	Compliant – This is undertaken annually.	
2010.A2	The chief internal auditor must identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinions and other conclusions.	Compliant – The draft report is discussed with management at the closure of an audit and the audit opinion and conclusions evaluated. Standard criteria are in place to assess the opinion allocated.	
2010.C1	The chief internal auditor 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.	All work is included in the plan.	
2020	<p><u>Communication and Approval</u></p> <p>The chief internal auditor 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 internal auditor must also communicate the impact of resource limitations.</p>	Reported to the Audit Panel and the Greater Manchester Pension Fund Local Board.	

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2030	<p><u>Resource Management</u></p> <p>The chief internal auditor must ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved audit plan.</p> <p>Public Sector requirement – the risk based plan must explain how internal audit’s resource requirements have been assessed.</p> <p>Where the chief internal auditor believes that the level of agreed resources will impact adversely on the provision of the annual audit opinion, the consequences must be brought to the attention of the board.</p>	Compliant – Any adverse impact would be discussed with the Chief Finance Officer and reported to the Audit Panel.	
2040	<p><u>Policies and Procedures</u></p> <p>The chief internal auditor must establish policies and procedures to guide the internal audit activities.</p>	Compliant – Audit Strategy and Charter in place together with documented processes.	
2050	<p><u>Co-ordination</u></p> <p>The chief internal auditor should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimise duplication of efforts.</p> <p><u>Public sector requirement</u></p> <p>The chief internal auditor must include in the risk based plan the approach to using other sources of assurance and any work required to place reliance upon those other sources.</p>	Compliant – External sources of assurance would be assessed before any reliance was placed on them.	
2060	<p><u>Reporting to senior management and the Board</u></p> <p>The chief internal auditor must report periodically to senior management and the board on the internal audit activity’s purpose, authority, responsibility and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues and other matters</p>	Compliant – Quarterly activity reports are issued to Senior Management and Executive Members. Reports are issued at the conclusion of all assignments and presented to senior management including any significant risk exposures or control issues.	

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	needed or requested by senior management and the board.	Progress is reported to the Audit Panel and the Greater Manchester Pension Fund Local Board.	
2070	<p><u>External Service Provider and Organisational Responsibility for Internal Auditing</u></p> <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>This will be demonstrated through the quality assurance and improvement programme which assures conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards.</p>	N/A – The only external service provider used is Salford Computer Audit Services and all work is conducted in partnership and the in-house audit team are fully involved at the terms of reference and closure meeting. The report is issued by the CIA.	
2100	<p><u>Nature of Work</u></p> <p>The internal audit activity must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic and disciplined approach.</p>	Standard approach and processes in place to ensure the service contributes to improvements in governance, risk management and control.	
2110	<p><u>Governance</u></p> <p>The internal audit activity must assess and make appropriate recommendations for improving the governance process in its accomplishment of the following objectives:-</p> <ul style="list-style-type: none"> • Promoting appropriate ethics and values within the organisation; • Ensuring effective organisational performance management and accountability; • Communicating risk and control information to appropriate areas of the organisation; and • Coordinating the activities of and communicating management information among the board, external and internal auditors and management. 	Compliant – All aspects are covered by the services provided by the Service Unit.	

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2110.A1	The internal audit activity must evaluate the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities.	Compliant and built into the audit plan and individual audit assignments.	
2110.A2	The internal audit activity must assess whether the information technology governance of the organisation supports the organisation's strategies and objectives.	ICT audits are included in the annual audit plan.	
2120	<u>Risk Management</u> The internal audit activity must evaluate the effectiveness and contribute to the improvement of the risk management processes.	In place as all audits undertaken are risk based.	
2120.A1	The internal audit activity must evaluate risk exposures relating to the organisation's governance, operations and information systems regarding the:- <ul style="list-style-type: none"> • Achievement of the organisation's strategic objectives; • Reliability and integrity of financial and operational information; • Effectiveness and efficiency of operations and programmes; • Safeguarding of assets; and • Compliance with laws, regulations, policies, procedures and contracts. 	Compliant - All covered.	
2120.A2	The internal audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.	Compliant – This is undertaken at the planning stage and conducted as part of each audit assignment in the assessment of controls to ensure the risk of fraud is minimised.	
2120.C1	During consultation engagements, internal auditors must address risk consistent with the engagement's objectives and be alert to the existence of other significant risks.	Compliant - Experienced staff undertake audits and consultancy work.	
2120.C2	Internal auditors must incorporate knowledge of risks gained from consulting engagements into their evaluation of the organisation's risk	Compliant – Internal Audit and the Risk Management Team work very	

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	management processes.	closely together.	
2120.C3	When assisting management in establishing or improving risk management processes, internal auditors must refrain from assuming any management responsibility by actually managing risk.	All staff clearly understand that the responsibility for risk management rest with managers.	
2130	<p><u>Control</u></p> <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>	Compliant – The audit plan in place is designed to deliver assurance that controls are effective. Where improvements are identified recommendations are made.	
2130.A1	<p>The internal audit activity must evaluate the adequacy and 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"> • Achievement of the organisation’s strategic objectives; • Reliability and integrity of financial and operational information; • Effectiveness and efficiency of operations and programmes; • Safeguarding of assets; and • Compliance with laws, regulations, policies, procedures and contracts. 	Compliant – All aspects covered by the work of internal audit.	
2130.C1	Internal auditors must incorporate knowledge of controls gained from consulting engagements into evaluation of the organisation’s control processes.	Compliant – This is undertaken where applicable.	
2200	<p><u>Engagement Planning</u></p> <p>Internal auditors must develop and document a plan for each engagement, including the engagement’s objectives, scope, timing and resource allocations.</p>	Terms of Reference issued.	
2201	<u>Planning Considerations</u>		

Ref	Requirement	Current position	Actions required
	<p>In planning the engagement, internal auditors must consider:-</p> <ul style="list-style-type: none"> • The objectives of the activity being reviewed and the means by which the activity controls its performance; • 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; and • The opportunities for making significant improvements to the activity's governance, risk management and control processes. 	Compliant – All aspects covered.	
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.	This is conducted in relation to the Greater Manchester Pension Fund as we audit the Contributing Bodies. A letter is issued outlining the objectives, scope, responsibilities, timescales etc.	
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.	Compliant - Documented.	
2210	<p><u>Engagement Objectives</u></p> <p>Objectives must be established for each engagement</p>	Compliant – Issued for each project.	
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 the assessment.	Compliant - Terms of Reference issued.	
2210.A2	Internal auditors must consider the probability of significant errors, fraud, non-compliance and other exposures when developing the engagement objectives.	Terms of Reference Initial audit meeting with management.	
2210.A3	Adequate criteria are needed to evaluate governance, risk management and controls. Internal auditors must ascertain the extent	Compliant – A performance framework is in place which evaluates	

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	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 in their evaluation. If inadequate, internal auditors must work with management and / or the board to develop appropriate evaluation criteria.	governance, risk management and controls. Furthermore, as part of the AGS process Executive Directors are required to complete a self-assessment, which evaluates the above, and many other key service deliverables. Value for Money featured in audit work.	
2210.C1	Consulting engagement objectives must address governance, risk management and control processes to the extent agreed upon with the client.	Compliant – The terms of reference agree the scope and objectives of the audit any deviations would be explained to the client.	
2210.C2	Consulting engagement objectives must be consistent with the organisation’s values, strategies and objectives.	Compliant – All objectives meet the needs of the organisation.	
2220	<u>Engagement Scope</u> The established scope must be sufficient to satisfy the objectives of the engagement.	Compliant - Agreed with management before work commences.	
2220.A1	The scope of the engagement must include consideration of relevant systems, records, personnel and physical properties, including those under control of third parties.	Compliant - Scope discussed with management and all points considered.	
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.	Compliant - Terms of reference would be issued.	
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	Compliant - Any concerns would be discussed within internal audit and then with management.	

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	with the client to determine whether to continue with the engagement.		
2220.C2	During consulting engagements, internal auditors must address controls consistent with the engagement's objectives and be alert to significant control issues.	Compliant - Quality assurance process in place to ensure all aspects are covered.	
2230	<p><u>Engagement Resource Allocation</u></p> <p>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.</p>	An audit plan is in place which estimates the days for each assignment. Variations to the plan have to be discussed with the Head of Risk Management and Audit and reported to the Audit Panel and the Greater Manchester Pension Fund Local Board.	
2240	<p><u>Engagement work programme</u></p> <p>Internal auditors must develop and document work programmes that achieve the engagement objectives.</p>	Compliant - All recoded in Galileo – Audit Management System.	
2240.A1	Work programmes 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.	Compliant - Control evaluation and testing programme reviewed by Principal Auditor and any changes are discussed as part of the ongoing supervision process.	
2240.C1	Work programmes for consulting engagements may vary in form and content depending upon the nature of the engagement.	Compliant - Template in place but the content can be varied to suit the engagement if required.	
2300	<p><u>Performing the Engagement</u></p> <p>Internal auditors must identify, analyse, evaluate and document sufficient information to achieve the engagement's objectives.</p>	All recorded in Galileo – Audit Management System and the quality assurance processes ensure that objectives are met and that sufficient information is identified, analysed and evaluated.	

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2310	<p><u>Identifying Information</u></p> <p>Internal auditors must identify sufficient, reliable, relevant and useful information to achieve the engagement's objectives.</p>	Compliant - Experience auditors undertake the work to meet this standard.	
2320	<p><u>Analysis and evaluation</u></p> <p>Internal auditors must base conclusions and engagement results on appropriate analyses and evaluations.</p>	Compliant - Working papers are held in Galileo and reviewed as part of the assurance process.	
2330	<p><u>Documenting Information</u></p> <p>Internal auditors must document relevant information to support the conclusions and engagement results.</p>	Compliant - All working papers held in Galileo and reviewed as part of the assurance process.	
2330.A1	The chief internal auditor must control access to engagement records. The chief internal auditor must obtain the approval of senior management and/or legal counsel prior to releasing such records to external parties as appropriate.	Compliant - Consultation would take place with the Executive Director of Governance and Resources/Legal Services before any action was taken.	
2330.A2	The chief internal auditor 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.	Compliant - Retention records in place.	
2330.C1	The chief internal auditor 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.	Compliant - Retention records in place. Consultancy work would only be undertaken for Council Directorates or schools.	
2340	<p><u>Engagement supervision</u></p> <p>Engagements must be properly supervised to ensure objectives are</p>	Compliant - Supervision and quality assurance process in place.	

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	achieved, quality is assured and staff are developed.		
2400	<u>Communicating results</u> Internal auditors must communicate the results of engagements.	Compliant - Draft Reports are issued for management comments and responses. Final Report incorporating any changes and responses issued. Post Audit Review Reports are also issued showing the implementation of recommendations.	
2410	<u>Criteria for communicating</u> Communications must include the engagement's objectives and scope as well as applicable conclusions, recommendations and action plans.	Compliant – All produced through Galileo using agreed templates.	
2410.A1	Final communication of engagement results must, where appropriate, contain internal auditors' opinion and/or conclusions. When issued, an opinion or conclusion must take account of the expectations of senior management, the board and other stakeholders and must be supported by sufficient, reliable, relevant and useful information.	Compliant – The Final Report covers all these points.	
2410.A2	Internal auditors are encouraged to acknowledge satisfactory performance in engagement communications.	Compliant – Satisfactory performance is acknowledged in reports.	
2410.A3	When releasing engagement results to parties outside the organisation, the communication must include limitations on distribution and use of the results.	All reports issued as Private and Confidential.	
2410.C1	Communication of the progress and results of consulting engagements will vary in form and content depending on the nature of the engagement and the needs of the client.	Compliant - Flexibility is adopted.	
2420	<u>Quality of Communications</u> Communications must be accurate, objective, clear, concise, constructive, complete and timely.	Compliant - This is tested via the customer questionnaire.	

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2421	<p><u>Errors and Omissions</u></p> <p>If a final communication contains a significant error or omission, the chief internal auditor must communicate corrected information to all parties who received the original communication.</p>	Compliant - A revised report would be issued in this circumstance and the recipients informed of the changes and why they have occurred.	
2430	<p>Use of 'conducted in accordance with the International Standards for the Professional Practice of Internal Auditing'.</p> <p>Internal auditors may report that their engagements are '<i>Conducted in conformance with the International Standards for the Professional Practice of Internal Auditing</i>', only if the results of the quality assurance and improvement programme support the statement.</p>	Compliant – Included in all reports.	
2431	<p><u>Engagement disclosure of non-conformance</u></p> <p>When non-conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards impacts a specific engagement, communication of the results must disclose the:-</p> <ul style="list-style-type: none"> • Principle or rule of conduct of the Code of Ethics or Standard with which full conformance was not achieved; • Reason for non-conformance; and • Impact of non-conformance on the engagement and the communicated engagement results. 	Appropriate communication would be issued if applicable.	
2440	<p><u>Disseminating results</u></p> <p>The chief internal auditor must communicate results to the appropriate parties.</p> <p>Interpretation: the chief internal auditor is responsible for reviewing and approving the final engagement communication and deciding to whom and how it will be disseminated. When the chief internal auditor delegates these duties, he or she retains overall responsibility.</p>	Compliant - Reporting rules are in place within the quality assurance system. Variations to the norm are discussed with the Head of Risk Management and Audit Services (CIA).	
2440.A1	The chief internal auditor is responsible for disseminating the final results to parties who can ensure the results are given due	Compliant – Draft, Final and PAR Reports all issued.	

Ref	Requirement	Current position	Actions required
	consideration.		
2440.A2	<p>If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing results to parties outside the organisation, the chief internal auditor must;</p> <ul style="list-style-type: none"> • Assess the potential risk to the organisation; • Consult with senior management and / or legal counsel as appropriate; and • Control dissemination by restricting the use of the results. 	Careful consideration as to how to respond would be given if the situation occurred and appropriate advice requested.	
2440.C1	The chief internal auditor is responsible for communicating the results of consulting engagements to clients.	Compliant – Agreed processes in place.	
2440.C2	During consultation 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.	Compliant - Communication with management takes place at the conclusion of all pieces of work conducted by the Internal Audit Team.	
2450	<p><u>Overall opinions</u></p> <p>Where an overall opinion is issued, it 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>Interpretation:</p> <p>The communication will identify:</p> <ul style="list-style-type: none"> • The scope including the time period to which the opinion pertains; • Scope limitations; • Consideration of all related projects, including the reliance on other assurance providers; • The risk or control framework or other criteria used as a basis for the overall opinion; and • The overall opinion, judgement or conclusion reached. 	Compliant – This is covered by the Annual Report produced by Head of Risk Management and Audit Services (CIA)	

Ref	Requirement	Current position	Actions required
	<p>The reasons for an unfavourable opinion must be stated</p> <p><u>Public sector requirement</u></p> <p>The chief internal auditor must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.</p> <p>The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.</p> <p>The annual report must incorporate:-</p> <ul style="list-style-type: none"> • The opinion; • A summary of the work that supports the opinion; and • A statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme. 		
2500	<p><u>Monitoring Progress</u></p> <p>The chief internal auditor must establish and maintain a system to monitor the disposition of results communicated to management.</p>	Compliant - Audit Management system in place – Galileo.	
2500.A1	The chief internal auditor 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.	Compliant - Post Audit Review process in place. Actions followed up after 6 months and 3 months where a low level of assurance is given.	
2500.C1	The internal audit activity must monitor the disposition of results of consulting engagements to the extent agreed with the client.	Compliant.	
2600	<p><u>Communicating the acceptance of risks</u></p> <p>When the chief internal auditor concludes that management has accepted a level of risk that may be unacceptable to the organisation, the chief internal auditor must discuss the matter with senior management. If the chief internal auditor determines that the matter</p>	Compliant - This is built into the quality assurance process used and would form part of the audit report.	

Ref	Requirement	Current position	Actions required
	<p>has not been resolved, the chief internal auditor must communicate the matter to the board.</p> <p><u>Interpretation</u></p> <p>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 internal auditor to resolve the risk.</p>		