

APPENDIX 1

Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note 2019 – Self-Assessment 2019/20

This checklist has been developed to satisfy the requirements set out in PSIAS 1311 and 1312 for periodic self-assessments and externally validated self-assessments as part of the Quality Assurance and Improvement Programme. It incorporates the requirements of the PSIAS as well as the Application Note in order to give comprehensive coverage of both documents.

C = Conforms, P = PARTIAL, N = Not Conforming. Evidence for each response must be provided and reasons for any partial or full non-conformance should be given, together with any compensating measures in place or actions in progress to address this.

Ref	Conformance with the Standard	C	P	N	Evidence
1	Mission of Internal Audit				
	Does the Internal audit activity aspire to accomplish the Mission of Internal Audit as set out in the PSIAS? To enhance and protect organisational value by providing risk based and objective assurance, advice and insight.	<input type="checkbox"/>			Internal Audit Charter Progress Reports Annual Report
2	Definition of Internal Auditing				
	Using evidence gained from assessing conformance with other Standards, is the internal audit activity:				
	Independent?	<input type="checkbox"/>			An experienced Team is in place Internal Audit Charter
	Objective?	<input type="checkbox"/>			Consistent process in place for conducting audit work which is reviewed and monitored Financial Regulations Internal Audit Team independent of all operational systems.
	Using evidence gained from assessing conformance with other Standards, does the internal audit activity use a systematic and disciplined approach to	<input type="checkbox"/>			Audit Manual Quality Control Checklist Internal Audit Annual Plan Report

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	evaluate and improve the effectiveness of risk management, control and governance processes within the organisation?				
3	Core Principles				
	Demonstrates Integrity Do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating integrity?	<input type="checkbox"/>			Compliance is demonstrated below
	Demonstrates competence and due professional care. Do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating competence and due professional care?	<input type="checkbox"/>			Compliance is demonstrated below
	Is objective and free from undue influence (independent). Do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being objective and free from undue influence (independent)?	<input type="checkbox"/>			Compliance is demonstrated below
	Aligns with Strategies, objectives and risks of the organisation 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?	<input type="checkbox"/>			Compliance is demonstrated below
	Is appropriately positioned and adequately resourced	<input type="checkbox"/>			Compliance is demonstrated below

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	Do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being appropriately positioned and adequately resourced?				
	Demonstrates quality and continuous improvement Do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating quality and continuous improvement?	<input type="checkbox"/>			Compliance is demonstrated below
	Communicates effectively Do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by communicating effectively?	<input type="checkbox"/>			Compliance is demonstrated below
	Provides risk-based assurance 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?	<input type="checkbox"/>			Compliance is demonstrated below
	Is insightful, proactive, and future-focused. Do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being insightful, proactive, and future-focused?	<input type="checkbox"/>			Compliance is demonstrated below
	Promotes organisational improvement. Do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by promoting organisational improvement?	<input type="checkbox"/>			Compliance is demonstrated below
4	Code of Ethics				
	Integrity				

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	Using evidence gained from assessing conformance with other Standards, do internal auditors:				
	Perform their work with honesty, diligence and responsibility?	<input type="checkbox"/>			An experienced Team is in place Consistent process in place for conducting audit work which is reviewed and monitored Declaration Forms
	Observe the law and make disclosures expected by the law and the profession?	<input type="checkbox"/>			Internal Audit Charter Declaration Forms
	Not knowingly partake in any illegal activity nor engage in acts that are discreditable to the profession of internal auditing or to the organisation?	<input type="checkbox"/>			Declaration Forms
	Respect and contribute to the legitimate and ethical objectives of the organisation?	<input type="checkbox"/>			Internal Audit Charter Internal Audit Annual Plan Report Annual Plan Customer Satisfaction Questionnaires Positive feedback from Managers
	Objectivity Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by not:				
	Not taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment?	<input type="checkbox"/>			Declaration Forms
	Not accepting anything that may impair or be presumed to impair their professional judgement?	<input type="checkbox"/>			Declaration Forms

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	Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?	<input type="checkbox"/>			Declaration Forms
	Confidentiality Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:				
	Acting prudently when using information acquired in the course of their duties and protecting that information?	<input type="checkbox"/>			The Team have all had training on Working with the Data Protection Act and Information Security
	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?	<input type="checkbox"/>			Audit Manual Attendance at training events
	Competency Using evidence gained from assessing conformance with other Standards, do internal auditors display competence by :				
	Only carrying out services for which they have the necessary knowledge, skills and experience?	<input type="checkbox"/>			Audits are allocated by the Principal Auditors and the skills and experience of the team members are taken into account when work is allocated. If gaps are identified training is provided when available and appropriate
	Performing services in accordance with the PSIAS?	<input type="checkbox"/>			Consistent with the Internal Audit Manual
	Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?	<input type="checkbox"/>			Development needs are assessed through the Annual Development Review Process and feedback

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					<p>from. Audit Appraisal Sheets completed at the conclusion of an audit are used to inform the above process.</p> <p>Regular supervision meetings are also used to identify any training needs.</p> <p>Staff with professional qualifications complete CPD</p>
	Do internal auditors have regard to the on Standards of Public Life's <i>Seven Principles of Public Life</i> ?	<input type="checkbox"/>			<p>All internal auditors have been made aware of these principles and the need for compliance throughout their day to day work.</p> <p>Annual sign off of Code of Ethics as part of Declaration Forms completed by all members of the Internal Audit Team.</p>
	Standards				
	Attribute Standards				
	1000 Purpose, Authority and Responsibility				
	Does the internal audit charter include a formal definition of:				
	a) the purpose b) the authority, and c) the responsibility of the internal audit activity consistent with the Public Sector Internal Audit Standards (PSIAS)?	<input type="checkbox"/>			<p>Internal Audit Charter</p>

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LGAN	Does the internal audit charter define the terms 'board' and 'senior management', for the purposes of the internal audit activity? Note that it is expected that the audit committee will fulfil the role of the board in the majority of instances.	<input type="checkbox"/>			Internal Audit Charter
	Does the internal audit charter also:				
	a) Set out the internal audit activity's position within the organisation?	<input type="checkbox"/>			Internal Audit Charter
	b) Establish the CAE's functional reporting relationship with the board?	<input type="checkbox"/>			Internal Audit Charter
LGAN	c) Establish the accountability, reporting line and relationship between the CAE and those to whom the CAE may report administratively?	<input type="checkbox"/>			Internal Audit Charter
LGAN	d) Establish the responsibility of the board and also the role of the statutory officers (such as the CFO, the monitoring officer and the head of paid service) with regards to internal audit?	<input type="checkbox"/>			Internal Audit Charter
	e) Establish internal audit's right of access to all records, assets, personnel and premises and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities?	<input type="checkbox"/>			Internal Audit Charter
LGAN	f) Define the scope of internal audit activities?	<input type="checkbox"/>			Internal Audit Charter Internal Audit Strategy
LGAN	g) Recognise that internal audit's remit extends to	<input type="checkbox"/>			Internal Audit Charter

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	the entire control environment of the organisation?				Internal Audit Strategy
LGAN	h)	<input type="checkbox"/>			Internal Audit Strategy
LGAN	i) Establish the organisational independence of internal audit?	<input type="checkbox"/>			Internal Audit Charter
	j) Cover the arrangements for appropriate resourcing?	<input type="checkbox"/>			Internal Audit Charter
	k) Define the role of internal audit in any fraud-related work?	<input type="checkbox"/>			Internal Audit Charter
	l) Set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?	<input type="checkbox"/>			Internal Audit Charter Financial Regulations
	m) Include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities?	<input type="checkbox"/>			Internal Audit Annual Plan Report The independence of the Head of Risk Management and Audit (CAE) is covered in the Annual Plan Report that is presented to the Audit Panel in May/June.
	n) Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?	<input type="checkbox"/>			Internal Audit Charter
	o) Define the nature of consulting services?	<input type="checkbox"/>			Internal Audit Charter

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	p) Recognise the mandatory nature of the PSIAS?	<input type="checkbox"/>			Internal Audit Charter
	Does the chief audit executive (CAE) periodically review the internal audit charter and present it to senior management and the board for approval?	<input type="checkbox"/>			The Audit Charter is reviewed by the Head of Risk Management and Audit (CAE) and presented and approved by the Audit Panel on an annual basis.
	Does the CAE attend audit committee meetings?	<input type="checkbox"/>			<p>The Head of Risk Management and Audit (CAE) attends all Audit Panel meetings and either the Head of Risk Management and Audit (CAE) or the Principal Auditor (Pension Fund) attends the Greater Manchester Pension Fund Local Board.</p> <p>Minutes of the Audit Panel meetings which evidence attendance can be found on www.tameside.gov.uk</p>
	Does the CAE contribute to audit committee agendas?	<input type="checkbox"/>			Yes. Democratic Services manage the agenda process and are aware of the expected reports for each meeting. A schedule of Audit content is maintained by the Head of Risk Management and Audit (CAE).
	1100 Independence and Objectivity				
	Does the CAE have direct and unrestricted access to senior management and the board?	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) reports direct to the Director of Finance (Section 151 Officer), however, if needed the Chief Executive can be approached as set out in the Internal Audit Charter. The Head of Risk Management and Audit (CAE) is a member of the Finance Senior Leadership Team and is able to request an audience with the Single Leadership Team as required. The Head of Risk Management and Audit (CAE) can also report direct to the Chair of the Audit Panel if necessary.

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					The Head of Risk Management and Audit (CAE) also has access to the Monitoring Officer.
	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?	<input type="checkbox"/>			As above.
	Are threats to objectivity identified and managed at the following levels:				
	a) Individual auditor?	<input type="checkbox"/>			Internal Audit Charter Declaration Forms Audit Planning Process
	b) Engagement?	<input type="checkbox"/>			Internal Audit Charter Declaration Forms Audit Planning Process
	c) Functional?	<input type="checkbox"/>			Internal Audit Charter Declaration Forms Audit Planning Process
	d) Organisation?	<input type="checkbox"/>			Internal Audit Charter
	1100 Independence and Objectivity				
	<i>1110 Organisational Independence</i>				
	Does the CAE report to an organisational level equal or higher to the corporate management team?	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) reports direct to the Director of Finance (Section 151 Officer).

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LGAN	Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) reports direct to the Director of Finance (Section 151 Officer).
LGAN	Have reporting and management arrangements been put in place that preserve the CAE's independence and objectivity? This is of particular importance when the CAE is line managed by another officer of the authority.	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) reports direct to the Director Of Finance (Section 151 Officer).
LGAN	Does the CAE's position in the management structure:				
	a) Reflect the influence he or she has on the control environment?	<input type="checkbox"/>			<p>The Head of Risk Management and Audit (CAE) reports direct to the Director of Finance (Section 151 Officer).</p> <p>The post is respected across the Council.</p>
	b) Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board?	<input type="checkbox"/>			<p>The Head of Risk Management and Audit (CAE) reports direct to the Director of Finance (Section 151 Officer).</p> <p>All Final Reports issued are circulated to the Chief Executive, Director of Governance and Pensions (Monitoring Officer), Director of Finance (Section 151 Officer) and the Executive Member and the Director responsible for the area under review.</p> <p>Regular meetings are held with Senior Management and Executive Members to review progress against the plan, issues and concerns, new risk exposures and any changes to the plan for the remaining year.</p>

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	c) Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management?	<input type="checkbox"/>			See above.
	Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent? The following examples can be used by the CAE when assessing the organisational independence of the internal audit activity:				
	The board:				
	a) approves the internal audit charter	<input type="checkbox"/>			Approved annually in May/June.
	b) approves the risk-based audit plan	<input type="checkbox"/>			Approved annually in May/June.
	c) approves the internal audit budget and resource plan	<input type="checkbox"/>			The budget for the internal audit service is presented as part of the Budget Report to Full Council in February each year. The Audit Panel approves the Audit Plan which is balanced to resources.
	d) receives communications from the CAE on the activity's performance (in relation to the plan, for example)	<input type="checkbox"/>			Progress Reports are presented to the Audit Panel and Greater Manchester Pension Fund Local Board quarterly. Meeting are also held with Senior Managers and Executive Members to discuss audit activity, audit planning, feedback and changes to services/structures which may have an impact on the audit plan and or the control environment. The Head of Risk Management and Audit (CAE)

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					also meets with the Executive Member for Finance and Performance.
	e) approves decisions relating to the appointment and removal of the CAE	N/A			Only Directors/Assistant Directors have elected member involvement in the recruitment process.
	f) Approves the remunerations of the CAE				The remuneration of the CAE is set in line with the Councils Pay Scales. All job descriptions are evaluated using a standard job evaluation process
	g) seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.	<input type="checkbox"/>			Annual Audit Plan. Quarterly progress reports
	Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?		<input type="checkbox"/>		The Annual Development Review (ADR) adopted by the Council is a cascade approach in which the Chief Executive sets the objectives for the Director of Finance (Section 151 Officer) who in turn sets the objectives of the Head of Risk Management and Audit (CAE).
	Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?	<input type="checkbox"/>			The Director of Finance (Section 151 Officer) would be able to request input from the Chair of the Audit Panel.
	<i>1111 Direct Interaction with the Board</i>				
	Does the CAE communicate and interact directly with the board?	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) attends all Audit Panel Meetings. The meetings of the Greater Manchester Pension Fund Local Board are attended by the Head of Risk Management and Audit (CAE) and/or the Principal Auditor responsible for the Pension Fund. Evidence can be found on www.tameside.gov.uk

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	<i>1112 Chief Audit Executive Roles Beyond Internal Auditing</i>				
	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?				The Head of Risk Management and Audit (CAE) is responsible for Risk Management, Insurance, Business Continuity Planning and the Lead for Information Governance and the Council's Senior Information Risk Owner (SIRO). Adequate safeguards are in place which rely on the integrity of the postholder and arrangements set out in the Internal Audit Charter and Annual Audit Planning Report which state that audits in these areas will be managed by another person namely the Assistant Director of Finance or another audit team would be invited to undertake the audit to provide complete independence.
	Does the board periodically review these safeguards?				It is reported annually to the Audit Panel.
	<i>1120 Individual Objectivity</i>				
	Do internal auditors have an impartial, unbiased attitude?	<input type="checkbox"/>			Internal Audit Charter Declaration Forms Audit Planning Process
	Do internal auditors avoid any conflict of interest, whether apparent or actual?	<input type="checkbox"/>			Internal Audit Charter Declaration Forms Audit Planning Process
	<i>1130 Impairment to Independence or Objectivity</i>				

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	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)?	<input type="checkbox"/>			This would be assessed for each assignment and any concerns would be reported by the Head of Risk Management and Audit (CAE).
	Have internal auditors assessed specific operations for which they have been responsible within the previous year?	<input type="checkbox"/>			This would be assessed for each assignment allocated to new members of the team as part of the work allocation process to ensure auditors do not audit areas they were involved with previously.
	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?	<input type="checkbox"/>			No such reviews have taken place recently, if they had the Head of Risk Management and Audit (CAE) would not be involved and the Assistant Director of Finance (Deputy Section 151 Officer) would oversee the process.
LGAN	Are assignments for ongoing assurance engagements and other audit responsibilities rotated periodically within the internal audit team?	<input type="checkbox"/>			This is done as far as possible and is managed by the Principal Auditors on an assignment by assignment basis. It does get more difficult to ensure rotation with a reducing sized audit team.
LGAN	Have internal auditors declared interests in accordance with organisational requirements?	<input type="checkbox"/>			Declarations forms are completed by staff annually.
LGAN	Where any internal auditor has accepted any gifts, hospitality, inducements or other benefits from employees, clients, suppliers or other third parties (other than as may be allowed by the organisation's own policies), has this been declared and investigated fully?	<input type="checkbox"/>			<p>There has only been one instance of this when the Head of Risk Management and Audit (CAE) won an overnight stay at Shrigley Hall as part of the CIPFA Audit Weekend and this was declared and given to the Mayor's Office. Evidence available upon request.</p> <p>Any issues identified would be fully investigated.</p>

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					Staff care required to adhere to the Councils policy in relation to this.
LGAN	Have any instances been discovered where an internal auditor has used information obtained during the course of duties for personal gain?	N/A			No such incidents have been identified and therefore further investigation has not been required.
LGAN	Have internal auditors disclosed all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice, subject to any confidentiality agreements?	<input type="checkbox"/>			All auditors are experienced and are aware of the standards required. All work is reviewed by a supervising auditor usually a Principal Auditor. Furthermore, Principal Auditors attend planning meetings to obtain background information and discuss the Terms of Reference.
	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?	<input type="checkbox"/>			No issues such as these have been identified.
	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?	<input type="checkbox"/>			No significant additional consulting services agreed during the year. Any changes to the Audit Plan would be discussed with the Director of Finance (Section 151 Officer) and reported to the Audit Panel or the Greater Manchester Pension Fund Local Board.
3.3	1200 Proficiency and Due Professional Care				
	<i>1210 Proficiency</i>				
	Does the CAE hold a professional qualification,	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) is

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	such as CMIIA/CCAB or equivalent?				CIPFA qualified and also holds a PGC in Management.
	Is the CAE suitably experienced?	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) has 13 years' experience as the CAE, 4 years' experience as a Principal Auditor, 8 Years' as an operation Financial Manager, 3 years' as an auditor and 3 years' as a supernumerary CIPFA Trainee. All gained whilst working for Tameside MBC.
LGAN	Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) is responsible for the recruitment of appropriate internal audit staff in accordance with Council policies and procedures.
LGAN	Does the CAE ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes?	<input type="checkbox"/>			Job descriptions are in place for each member of the team and these are reviewed periodically to ensure relevance (normally when a post is being recruited too).
	Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	<input type="checkbox"/>			All staff have an Annual Development Review and regular supervisions to discuss this and to identify any gaps. Training, where applicable, is sought and delivered. Internal Audit no longer employees a Computer Auditor and buys in support to complement the team from Salford MBC. Identified in the Annual Audit Plan Report and Internal Audit Strategy.
	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?	<input type="checkbox"/>			Advice and assistance would be obtained. As above ICT support is bought in from Salford MBC. Staff also attend seminars/ workshops and webinars to update their skills and knowledge.

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	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	<input type="checkbox"/>			The Internal Audit Team do have an awareness of fraud, as the majority are very experienced auditors. In addition, the Council's Counter Fraud Team is also the responsibility of the Head of Risk Management and Audit (CAE) and is co-located within the same office and learning is shared across the team. Therefore more specialist skills are available within the wider team if required.
	Do internal auditors have sufficient knowledge of key information technology risks and controls?	<input type="checkbox"/>			The Team in place is very experienced. Whilst we do not employ a computer auditor, who would specialise in this field, we have access to the CIPFA ICT Control Matrices. Contingency days are bought from Salford MBC for the provision of ad hoc support and guidance to assist with other planned work.
	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?	<input type="checkbox"/>			An experienced Team is in place. All members of the Team have access to 'IDEA' which is an audit interrogation product. Excel is also used and pivot tables are used to analyse data.
	<i>1220 Due Professional Care</i>				
	Do internal auditors exercise due professional care by considering the:				
	a) Extent of work needed to achieve the engagement's objectives?	<input type="checkbox"/>			Audit procedures are set out in the Audit Manual and the Control Quality Checklist. All work is reviewed by a supervising auditor, usually a Principal Auditor, and all Final Reports/Post Audit Reviews are reviewed by the Head of Risk
	b) Relative complexity, materiality or significance of matters to which assurance procedures are applied?	<input type="checkbox"/>			

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	c) Adequacy and effectiveness of governance, risk management and control processes?	<input type="checkbox"/>			Management and Audit (CAE).
	d) Probability of significant errors, fraud, or non-compliance?	<input type="checkbox"/>			Several members of the team have a professional CCAB/IIA qualification and all have been trained to exercise due professional care.
	e) Cost of assurance in relation to potential benefits?	<input type="checkbox"/>			
	Do internal auditors exercise due professional care during a consulting engagement by considering the:				
	a) Needs and expectations of clients, including the nature, timing and communication of engagement results?	<input type="checkbox"/>			See above.
	b) Relative complexity and extent of work needed to achieve the engagement's objectives?	<input type="checkbox"/>			See above.
	c) Cost of the consulting engagement in relation to potential benefits?	<input type="checkbox"/>			See above.
	<i>1230 Continuing Professional Development</i>				
LGAN	Has the CAE defined the skills and competencies for each level of auditor?	<input type="checkbox"/>			These are outlined in the job descriptions/person specifications for each job. Annual Development Reviews review performance and development. Regular supervisions review any ongoing issues throughout the year.
LGAN	Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	<input type="checkbox"/>			Through the appraisal process outlined above. At the conclusion of an audit an Auditor Appraisal Sheet is completed by both the auditor and the

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					supervisor to review the audit undertaken. The process is used to review performance, identify individual training needs and improvements in the audit process or wider Council issues.
	Do internal auditors undertake a programme of continuing professional development?	<input type="checkbox"/>			This is determined through the appraisal process outlined above. All CCAB qualified staff have to commit to CPD and the Annual Development Process adopted by the Council has been approved by both CIPFA and ACCA as an Approved Scheme.
	Do internal auditors maintain a record of their professional development and training activities?		<input type="checkbox"/>		<p>This is recorded as part of the Annual Development Review Process and held within the Me Learning platform which is used by the Council to provide E-Learning courses to all staff.</p> <p>A self-service facility within the Councils Payroll System iTrent is being developed to provide a centralised record of all training undertaken for staff. A spreadsheet is being compiled in the interim.</p>
3.4	1300 Quality Assurance and Improvement Programme				
	Has the CAE developed a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?	<input type="checkbox"/>			Detailed in the Quality Assurance and Improvement Programme which is presented to the Audit Panel annually in May/June.
	Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?	<input type="checkbox"/>			Detailed in the Quality Assurance and Improvement Programme which is presented to the Audit Panel annually in May/June.

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	Does the CAE maintain the QAIP?	<input type="checkbox"/>			The Quality Assurance and Improvement Programme is presented annually to members. The review of audit activity and improvements is presented in the Annual Audit Report, quarterly progress reports and the annual review of Internal Audit.
	Are any statutory requirements for review of the internal audit activity satisfied?				In line with the Accounts and Audit Regulations an annual review of the effectiveness of the system of internal control is undertaken and reported to the Audit Panel. This is based on an annual self-assessment against the PSIAS and an external review every 5 years.
	<i>1310 Requirements of the Quality Assurance and Improvement Programme</i>				
	Does the QAIP include both internal and external assessments?	<input type="checkbox"/>			Both are covered in the Quality Assurance and Improvement Programme.
	<i>1311 Internal Assessments</i>				
LGAN	Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	<input type="checkbox"/>			The Principal Auditors are responsible for ensuring that members of the Internal Audit Team are allocated work which is appropriate to them. Any issues or concerns are raised through the regular supervision process. Meetings are regularly held between the Head of Risk Management and Audit (CAE) and the Principal Auditors to discuss work allocations, progress against the plan, staff issues and training requirements.

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	Do internal assessments include ongoing monitoring of the internal audit activity, such as:				
	a) Routine quality monitoring processes?	<input type="checkbox"/>			<p>The process for this is defined in the Audit Manual and the Quality Control Checklist which is used for all audits. It includes ongoing review throughout the assignment and then a final quality review by the Head of Risk Management and Audit (CAE).</p> <p>At the conclusion of an audit the performance of the Auditor is assessed by the Supervisor using the Audit Management system "Galileo" and during supervisions and Annual Development Reviews to cover:-</p> <ul style="list-style-type: none"> • Timescales; • Days Taken; • Level of Supervision; • Working Papers; • Audit Process; and • Audit Report.
	b) Periodic assessments for evaluating conformance with the PSIAS?	<input type="checkbox"/>			A review is undertaken annually and reported to the Audit Panel.
LGAN	Does ongoing performance monitoring contribute to quality improvements through the effective use of performance targets?	<input type="checkbox"/>			<p>The key performance indicators and targets for the service are included in the Quality Assurance and Improvement Programme and the Annual Plan Report presented to the Audit Panel/Greater Manchester Pension Fund Local Board. The agreed targets include:</p> <ul style="list-style-type: none"> - % Compliance with PSIAS; - % of Plan Complete; - % of Recommendations Implemented;

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					<ul style="list-style-type: none"> - % of Satisfied Customers; and - No of Reported Irregularities. <p>They are reviewed annually and actual performance against the above measures is reported to the Audit Panel/Greater Manchester Pension Fund Local Board as part of the Risk Management and Audit Annual Report.</p>
	Is there a set of comprehensive targets which between them encompass all significant internal audit activities?	<input type="checkbox"/>			Yes see above.
LGAN	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	<input type="checkbox"/>			The performance targets are discussed with the Director of Finance (Section 151 Officer), the Executive Member for Finance and Performance and the Audit Panel/Greater Manchester Pension Fund Local Board.
LGAN	Does the CAE measure, monitor and report on progress against these targets?	<input type="checkbox"/>			Progress against targets is reported annually to the Audit Panel and the Greater Manchester Pension Fund Local Board.
LGAN	Does ongoing performance monitoring include obtaining stakeholder feedback?	<input type="checkbox"/>			A customer satisfaction questionnaire is issued at the end of each audit assignment and the results are reported to the Audit Panel and Greater Manchester Pension Fund Local Board annually as part of the suite of internal audit PIs. Regular meetings take place with Senior Managers and Executive Members to obtain feedback on service delivery.
	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?	<input type="checkbox"/>			Periodic self-assessments are undertaken by the Head of Risk Management and Audit (CAE) and the Principal Auditors who are all professionally qualified, experienced and knowledgeable of internal

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	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.				audit practices. A self-assessment is conducted annually against the PSIAS and reported to the Audit Panel as part of the annual review of Internal Audit.
LGAN	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) reviews activity against the audit plan as this is one of the key performance indicators and the results of this are reported to the Audit Panel and Greater Manchester Pension Fund Local Board, as part of the Risk Management and Audit Services Quarterly Progress Report. Quarterly Activity Reports are issued to Senior Managers and Executive Members which provide a review of progress against the plan, the status of each audit in their area and the assurance level given to all finalised audits.
	<i>1312 External Assessments</i>				
	Has an external assessment been carried out, or is planned to be carried out, at least once every five years?	<input type="checkbox"/>			An external assessment was conducted in March 2018, utilising the NW Chief Audit Executive Group peer review process which was approved by the Audit Panel. A review will be undertaken every five years.
LGAN	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	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) has looked at the options available including the use of an external firm or peer review. The self-assessment plus independent validation is deemed to be the most appropriate approach and the best value for money. This was agreed with the previous

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	which might be considered to warrant a demonstrably independent assessment.				Director of Finance (Section 151 Officer) and the Peer Review Process adopted by the North West Chief Audit Executive Group was reported to and approved by the Audit Panel on 1 November 2016. The service was assessed using the approach in March 2018. The Options for the next External Assessment will be discussed with the Director of Finance and presented to the Audit Panel for approval.
	Has the CAE properly discussed the qualifications and independence of the assessor or assessment team with the board?	<input type="checkbox"/>			The approach was presented and approved by the Audit Panel on 1 November 2016. See comment above about future external assessments.
LGAN	Has the CAE agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the CFO or the chief executive?	<input type="checkbox"/>			The approach was agreed by the Audit Panel on 1 November 2016. See comment above about future external assessments.
	Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?	<input type="checkbox"/>			The Peer Review Process adopted by the North West Chief Audit Executive Group is detailed in a Memorandum of Understanding and was approved by the Audit Panel on 1 November 2016. See comment above about future external assessments.
	Has the assessor or assessment team demonstrated its competence in both areas of professional practice of internal auditing and the external assessment process? Competence can be determined in the following ways: a) experience gained in organisations of similar size b) complexity	<input type="checkbox"/>			The Peer Review Process adopted by the North West Chief Audit Executive Group is detailed in a Memorandum of Understanding and was approved by the Audit Panel on 1 November 2016. It is conducted by Heads of Audit/Audit Managers of the various teams that make up the North West Chief Audit Executive Group. The Assessment Team consists of two Heads of

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	<p>c) sector (i.e. the public sector)</p> <p>d) industry (i.e. local government), and</p> <p>e) technical experience.</p> <p>Note that if an assessment team is used, competence needs to be demonstrated across the team and not for each individual member.</p>				<p>Internal Audit/Audit Managers from two different authorities and all assessment reviews are moderated by two different Heads of Internal Audit/Audit Managers.</p> <p>See comment above about future external assessments.</p>
	How has the CAE used his or her professional judgement to decide whether the assessor or assessment team demonstrates sufficient competence to carry out the external assessment?	<input type="checkbox"/>			The Peer Review Process adopted by the North West Chief Audit Executive Group is detailed in a Memorandum of Understanding and was approved by the Audit Panel on 1 November 2016. See comment above about future external assessments.
	Does the assessor or assessment team have any real or apparent conflicts of interest with the organisation? This may include, but is not limited to, being a part of or under the control of the organisation to which the internal audit activity belongs.	<input type="checkbox"/>			The Peer Review Process adopted by the North West Chief Audit Executive Group is detailed in a Memorandum of Understanding and was approved by the Audit Panel on 1 November 2016. See comment above about future external assessments.
	<i>1320 Reporting on the Quality Assurance and Improvement Programme</i>				
	Has the CAE reported the results of the QAIP to senior management and the board?	<input type="checkbox"/>			<p>The Self-Assessment against the Public Sector Internal Audit Standards is presented to the Audit Panel annually in May/June.</p> <p>The Head of Risk Management and Audit (CAE) reports performance against the targets in the Risk Management and Audit Annual Report, this is discussed with the Assistant Director of Finance (Deputy Section 151 Officer) and presented to the Audit Panel in May/June.</p>

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					<p>Continual improvements to service delivery or process are reported to the Audit Panel in the Risk Management and Audit Quarterly Progress Reports.</p> <p>Direct reference to the QAIP is included in the Annual Report and progress reports presented to the Audit Panel.</p>
	Note that:				
	a) the results of both external and periodic internal assessment must be communicated upon completion	<input type="checkbox"/>			<p>Results of delivery of the actions outlined in the Annual Audit Plan are reported to the Audit Panel/Greater Manchester Pension Fund Local Board on an annual basis.</p> <p>Results of any benchmarking exercises are reported as and when undertaken and discussed with the Assistant Director of Finance (Deputy Section 151 Officer) and presented to the Audit Panel.</p> <p>The results from Customer Satisfaction Questionnaires are used internally within the service to identify training needs and reported to the Audit Panel/Greater Manchester Pension Fund Local Board annually as part of the Risk Management and Audit Annual Report.</p> <p>The Review of Internal Audit, which is based on a self-assessment in between external reviews is based on the Public Sector Internal Audit Standards, and is reported to the Audit Panel every June.</p> <p>The result of the external assessment, which was</p>

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					conducted in March 2018, was reported to the Audit Panel in May 2018.
	b) the results of ongoing monitoring must be communicated at least annually	<input type="checkbox"/>			See above.
	c) the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.	<input type="checkbox"/>			See above.
	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	<input type="checkbox"/>			Development Work undertaken was mentioned in the annual report; however, due to capacity issues resources were concentrated on delivering the audit plan.
	<i>1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'</i>				
	Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	<input type="checkbox"/>			Annual Report. Review of Internal Audit Report.
	<i>1322 Disclosure of Non-conformance</i>				
	Has the CAE reported any instances of non-conformance with the PSIAS to the board?	<input type="checkbox"/>			The External Assessment completed in March 2018 confirmed that the service conformed to the standards. Self-Assessments conducted since the external review have not identified any instances of non-compliance. Regularly reported to the Audit Panel. The review/self-assessment is reported to the Audit Panel annually in June and an update is provided in Progress Reports and the Annual Report

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					presented by the Head of risk Management and Audit.
	Has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	<input type="checkbox"/>			The self-assessment against the PSIAS used for the External Assessment did not identify any, and the updated self-assessments for 2018/19 and 2019/20 have not identified any significant deviations thereafter.
4	Performance Standards				
4.1	2000 Managing the Internal Audit Activity				
	Do the results of the internal audit activity's work achieve the purposes and responsibility of the activity, as set out in the internal audit charter?	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) presents Quarterly Progress Reports and an Annual Report to the Audit Panel/Greater Manchester Pension Fund Local Board.
	Does the internal audit activity conform with the <i>Definition of Internal Auditing</i> and the <i>Standards</i> ?	<input type="checkbox"/>			Internal Audit Charter Annual Audit Plan Annual Audit Plan Report Audit Manual
	Do individual internal auditors, who are part of the internal audit activity, demonstrate conformance with the <i>Code of Ethics</i> and the <i>Standards</i> ?	<input type="checkbox"/>			All Audit Staff sign Declaration Forms to say that they have read the Code of Ethics. The achievement of the Annual Audit Plan and positive feedback from auditees and senior managers is testament that internal auditors demonstrate conformance. No complaints or concerns have ever been raised.
	Does the internal audit activity add value to the organisation and its stakeholders by:-				

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	a) Providing objective and relevant assurance?	<input type="checkbox"/>			Internal Audit Charter Internal Audit Strategy
	b) Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes?	<input type="checkbox"/>			Final Audit Reports Head of Risk Management and Audit's (CAE) Annual Report Request from Senior Managers/Executive Members for audit reviews. Positive customer feedback.
	<i>2010 Planning</i>				
	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?	<input type="checkbox"/>			Internal Audit Plan Internal Audit Plan Report The plan is created in consultation with Senior Management, Executive Members and the Assistant Director of Finance (Deputy Section 151 Officer). All activities in the "audit universe" are risk assessed in the audit management system Galileo.
	Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?	<input type="checkbox"/>			Internal Audit Plan Internal Audit Plan Report In compiling the risk based plan attention to the overall levels of assurance given across all service areas is monitored to ensure the balance will generate an annual audit opinion.
	Does the risk-based plan take into account the organisation's assurance framework?	<input type="checkbox"/>			Internal Audit Plan Internal audit Plan Report Assurance Framework The process adopted takes into account the various sources of assurance across the Council for

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					<p>example:-</p> <ul style="list-style-type: none"> • Scrutiny Reviews/Reports; • Inspection Reports; • Corporate Risk Register; • Corporate Plan; • External Audit Letter/Reports; • Code of Corporate Governance; • AGS Director Assurance Letters; • AGS Self-Assessment Checklists; and • Investigations undertaken and Control Reports.
	Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of:				
	a) How the internal audit service will be delivered?	<input type="checkbox"/>			<p>Internal Audit Plan Report Internal Audit Charter Internal Audit Strategy</p>
	b) How the internal audit service will be developed in accordance with the internal audit charter?	<input type="checkbox"/>			<p>Detailed in the Internal Audit Plan Report and the Quality Assurance Improvement Programme.</p>
	c) How the internal audit service links to organisational objectives and priorities?	<input type="checkbox"/>			<p>The Council's objectives are set out in the Corporate Plan. Internal Audit supports the individual operations, which deliver the objectives within this by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</p> <p>Regular meetings with Executive Members and Senior Managers ensure that the Audit Plan reflects the needs of the organisation and keeps pace with priorities. These meetings are important as they enable the risk assessments in the Audit</p>

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					Management System to be updated.
	Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	<input type="checkbox"/>			See above. In compiling the plan local issues/risks are identified by liaising with Executive Members and Senior Managers and the Assistant Director of Finance (Deputy Section 151 Officer). National issues/risks are identified by attending training events/seminars/workshops/NW Chief Audit Executive Group, researching TIS Online, Better Governance Forum and the CIPFA Fraud Centre. A Review of the published Fraud Report is also undertaken.
	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?	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) is also responsible for the Council's risk management framework and overseeing the corporate risk register and therefore has a good insight into areas of specific concern.
	If such a risk management framework does not exist, has the CAE used his or her judgement of risks after input from senior management and the board and evidenced this?	<input type="checkbox"/>			The Head of Risk Management and Audit (CAE) is also responsible for the Council's risk management framework and overseeing the corporate risk register and therefore has a good insight into areas of specific concern.
LGAN	Does the risk-based plan set out the:				
	a) Audit work to be carried out?	<input type="checkbox"/>			Internal Audit Plan. Internal Audit Plan Report. Audit Charter
	b) Respective priorities of those pieces of audit work?	<input type="checkbox"/>			

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	c) Estimated resources needed for the work?	<input type="checkbox"/>			
LGAN	Does the risk-based plan differentiate between audit and other types of work?	<input type="checkbox"/>			<p>Internal Audit Plan. Internal Audit Plan Report. Audit Charter</p> <p>The risk based plan details:-</p> <ul style="list-style-type: none"> • Audits to be undertaken; • Planning and Control Days; • Contingency for Advice and Support; • Post Audit Review Days; and • Investigation/Counter Fraud Days.
LGAN	Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	<input type="checkbox"/>			<p>If new risks emerge in year then the Head of Risk Management and Audit (CAE) has the option to make a change to the plan and seeks approval for this from the Director of Finance (Section 151 Officer) and the relevant Director concerned. Any changes to the audit plan are reported to the Audit Panel as part of the Head of Risk Management and Audit (CAE) Quarterly Progress Report.</p> <p>Audit assignments are normally planned on a quarterly basis which helps ensure flexibility should risks change in the year.</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?	<input type="checkbox"/>			<p>The Principal Auditors are responsible for monitoring the plan and meeting with Executive Members and Senior Managers to identify any changes needed to the plan. These changes are then discussed with the Head of Risk Management and Audit (CAE) and reported to the Audit Panel and the Greater Manchester Pension Fund Local Board.</p>

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					Adjustments may also be required due to gaps in resources.
	Is the internal audit activity's plan of engagements based on a documented risk assessment?	<input type="checkbox"/>			<p>Annually the Principal Auditors review the audit universe in the Audit Management System Galileo in preparation for meetings with Senior Managers and Executive Members. The Meetings are held to review the audit universe to ensure it is correct and up to date and includes any new risk exposures, identify what audits are due to be undertaken and their key areas of concern. All of the above feeds into the risk assessment process.</p> <p>The risk assessment in the Audit Management System Galileo is based on:-</p> <ul style="list-style-type: none"> • Susceptibility to Error/Fraud; • Control Environment; • Sensitivity and Reputation of the Council; • Complexity; • Volume and Value of Transactions; • Management Concerns; • Management Changes; • Specific Business Risks/Business Importance; • Quality, Integrity and Security of Information; and • Years since Previous Audit. <p>Following the planning meetings the risk assessments are updated in Galileo and a list of audits in priority order is produced.</p> <p>Consultation then takes place with colleagues in Financial Management to ascertain if they have any concerns in their areas of responsibility.</p>

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					<p>The Head of Risk Management and Audit (CAE) then meets with the Principal Auditors to further develop the planning process by reviewing the assurance framework and assessing the list of audits to provide challenge into the process. Once the list is agreed it is then matched against available resources to agree the draft plan for the new financial year.</p> <p>Process outlined in the Annual Plan Report, Internal Charter and Audit Manual.</p>
	Is the risk assessment used to develop the plan of engagements undertaken at least annually?	<input type="checkbox"/>			Yes - see above.
LGAN	In developing the risk-based plan, has the CAE also considered the following:				
	a) Any declarations of interest (for the avoidance for conflicts of interest)?	<input type="checkbox"/>			<p>The Head of Risk Management and Audit (CAE) challenges the Principal Auditors on their inclusion of audits on the list to check there are no conflicts.</p> <p>Any conflicts within the Internal Audit Team are reviewed and resolved as the work is allocated.</p> <p>Annual Audit Plan Annual Audit Plan Report Audit Manual</p>
	b) The requirement to use specialists, e.g. IT or contract and procurement auditors?	<input type="checkbox"/>			<p>Annual Audit Plan. Annual Audit Plan Report Internal Audit Strategy</p>

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					The Council does not employ an IT Specialist and uses the services of Salford MBC Computer Services.
	c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary?	<input type="checkbox"/>			<p>Advice and Support days are included for each service area in the plan which can be used for ad hoc reviews.</p> <p>A separate resource is available for Fraud Investigation/Counter Fraud Work and the details are included in the Annual Audit Plan and the Annual Audit Plan Report</p>
	d) The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CAE opinion?	<input type="checkbox"/>			<p>Days are included within the plan for:-</p> <ul style="list-style-type: none"> • Planning and Control • Reporting to Members <p>Annual Audit Plan Annual Audit Plan Report Internal Audit Charter Internal Audit Strategy</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?	<input type="checkbox"/>			<p>Senior Management are involved in the planning/risk assessment process. Individual Executive Members are consulted as part of the planning process to determine the draft plan.</p> <p>The draft plan is discussed with the Assistant Director of Finance (Deputy Section 151 officer) and shared with both the Monitoring Officer and External Audit ahead of it being presented to the Audit Panel/Greater Manchester Pension Fund Local Board for approval.</p>

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					As with all plans the Audit Panel/Greater Manchester Pension Fund Local Board are advised that the plan will be kept under constant review to ensure it captures the requirements of the organisation. Both bodies are informed that any changes will be reported to the future meetings.
	Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	<input type="checkbox"/>			<p>Input from senior management, executive members and other stakeholders is important to the planning process to ensure risk assessments are up to date, priorities are identified and indicative timings discussed. However, the Head of Risk Management and Audit (CAE) and the Principal Auditors have a wealth of experience and a detailed knowledge of the Council and their professional judgement is paramount to the compilation of the plan and they are all aware that managers may steer Internal Audit away from areas to save receiving unfavourable audit opinions.</p> <p>In terms of individual assignments a draft report is issued and then a closure meeting is arranged to seek management opinion on the factual accuracy of the report and acceptance of the recommendations.</p> <p>Input from stakeholders is important so that they buy into the recommendations made.</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?	<input type="checkbox"/>			<p>Consultancy Reviews are assessed as part of the planning process.</p> <p>In some circumstances it adds more benefit and value to the organisation to undertake this type of review.</p>

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	<i>Are consulting engagements that have been accepted included in the risk-based plan?</i>	<input type="checkbox"/>			All audits/reviews are listed in the Annual Audit Plan to ensure that the plan balances to resources and that management and the Audit Panel/Greater Manchester Pension Fund Local Board are fully aware of the work plan for the year. However, plans can and do change and these changes would be notified to the Audit Panel/Greater Manchester Pension Fund Local Board as part of the quarterly progress report.
	<i>2020 Communication and Approval</i>				
	Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	<input type="checkbox"/>			Annual Audit Plan is presented to the Assistant Director of Finance (Deputy Section 151 Officer) and to the Audit Panel/ Greater Manchester Pension Fund Local Board for approval in May/June.
	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?	<input type="checkbox"/>			Presented to the Audit Panel/Greater Manchester Pension Fund Local Board in the Risk Management and Audit Progress Reports. Discussed with management as and when required and reported as part of quarterly activity reports.
	Has the CAE communicated the impact of any resource limitations to senior management and the board?	<input type="checkbox"/>			Resource requirements/issues are set out in the Audit Plan Report presented to the Audit Panel/ Greater Manchester Pension Fund Local Board. They are also discussed in detail with management and the Assistant Director of Finance (Deputy Section 151 Officer). Quarterly Activity Reports presented to management detail the plan, actual days per audit and any issues with resources.

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	<i>2030 Resource Management</i>				
	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	<input type="checkbox"/>			This is covered in the Risk Management and Audit Service Annual Plan Report and the detail is held in the planning working papers.
LGAN	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?	<input type="checkbox"/>			All audits are planned in conjunction with management, and priorities are discussed at the planning meetings and the quarterly activity meetings.
LGAN	If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board? 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.	<input type="checkbox"/>			Any issues with delivering the plan would be discussed with the Assistant Director of Finance (Deputy Section 151 Officer) and reported to the Audit Panel/Greater Manchester Pension Fund Local Board as part of the Annual Audit Plan Report and the Quarterly Progress Reports.
	<i>2040 Policies and Procedures</i>				
	Has the CAE developed and put into place policies and procedures to guide the internal audit activity?	<input type="checkbox"/>			Internal Audit Manual Quality Control Checklist A detailed process is outlined in the above documents and confirmed by the review process undertaken by the Principal Auditors and Head of Risk Management and Audit.
LGAN	Has the CAE established policies and procedures to guide staff in performing their duties in a manner than conforms to the PSIAS?	<input type="checkbox"/>			Internal Audit Manual. Quality Control Checklist

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	Examples include maintaining an audit manual and/or using electronic management systems.				<p>School audits are performed using an Audit Programme which guides the auditor through the process.</p> <p>All other audits are performed using the Audit Management System Galileo which again guides the auditor through the process in conjunction with the Quality Control Checklist.</p> <p>We also have a matrix in place detailing the distribution list for reports to ensure reports are issued in a consistent manner.</p>
LGAN	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	<input type="checkbox"/>			<p>Improvement days are held which give the opportunity for policies and procedures to be reviewed.</p> <p>Staff are experienced and if something is causing an issue it is either raised at a supervision meeting, an ADR or at a team meeting.</p>
	<i>2050 Coordination</i>				
	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?	<input type="checkbox"/>			<p>This is discussed with senior managers when the Principal Auditors meet them as part of the audit planning process and any external inspections may influence whether a review will be included on the audit plan.</p> <p>This would be captured as part of the planning meeting notes.</p> <p>We also review the External Auditors reports and plan and liaise with Scrutiny, or review their web</p>

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					<p>pages, to see what reviews they have undertaken or are planning to undertake.</p> <p>When auditing the Pension Fund assurance is obtained from various sources e.g. Third Party Auditors or Industry Regulators.</p> <p>Where assurance provided by a third party is used, checks are undertaken to determine the degree of reliance that can placed on them.</p>
LGAN	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	<input type="checkbox"/>			<p>See above response.</p> <p>An Assurance Framework is in place.</p>
	Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?	<input type="checkbox"/>			<p>Quarterly liaison meetings are in place with the Councils External Auditor where work is shared. The Head of Risk Management and Audit (CAE)/Principal Auditors will also liaise with other internal services undertaking review work and provide copies of audit reports when appropriate to do so. Scrutiny reports and plans are reviewed.</p> <p>Audits/Reviews are started in full consultation with management and any external inspections due would be taken into account so that resources are not duplicated and areas over inspected.</p>
LGAN	Does the CAE meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans?	<input type="checkbox"/>			<p>See above.</p> <p>External Audit also attend both the Audit Panel/Greater Manchester Pension Fund Local Board.</p>

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	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.				When auditing the Pension Fund assurance is obtained from various sources e.g. Third Party Auditors or Industry Regulators. Where assurance provided by a third party is used, checks are undertaken to determine the degree of reliance that can be placed on them.
	<i>2060 Reporting to Senior Management and the Board</i>				
	Does the CAE report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan?	<input type="checkbox"/>			<p>This is done via the Risk Management and Audit Quarterly Progress Reports to the Audit Panel/Greater Manchester Pension Fund Local Board.</p> <p>Management/Executive Members receive Quarterly Activity Reports and regular liaison meetings are held with them to discuss progress to date, outstanding audits, new risks, changing priorities and any issues/concerns that need to be taken into account.</p> <p>Urgent matters would be discussed with the Director of Finance (Section 151 Officer) and/or the Assistant Director of Finance (Deputy Section 151 Officer).</p> <p>Weekly planning meetings are held with the Assistant Director of Finance (Deputy Section 151 Officer) where feedback on audit activity is provided.</p> <p>The Head of Risk Management and Audit (CAE) has a 1:1 with the Director of Finance (Section 151 Officer) quarterly and a 1:1 with the Assistant Director of Finance (Deputy Section 151 Officer)</p>

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					monthly.
	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?	<input type="checkbox"/>			See above.
	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?	<input type="checkbox"/>			See above.
	<i>2070 External Service Provider and Organisational Responsibility for Internal Auditing</i>				
	Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation?	N/A			N/A
	Does the internal audit activity evaluate and contribute to the improvement of the organisation's governance, risk management and internal control processes?	N/A			N/A
	Does the internal audit activity evaluate and contribute to the improvement of the above using a systematic and disciplined approach?	N/A			N/A

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	<i>2110 Governance</i>				
	Does the internal audit activity assess and make appropriate recommendations to improve the organisation's governance processes for :				
	Making strategic and operational decisions?				
	Overseeing risk management and control?				
	a) Promote appropriate ethics and values within the organisation?	<input type="checkbox"/>			<p>This is all demonstrated in the Head of Risk Management and Audit's (CAE) Annual Audit Plan Report and Quarterly Progress Reports presented to the Audit Panel/Greater Manchester Pension Fund Local Board.</p> <p>Activity reports provided to Senior Management and Executive Members.</p> <p>Meetings with Senior Management and Executive Members.</p> <p>Feedback from Managers at meetings or returned via Customer Satisfaction Questionnaires.</p> <p>Covered in the Internal Audit Charter and Strategy.</p> <p>Head of Risk Management and Audits (CAE) Annual Report.</p> <p>Internal Audit is regularly asked for advice by managers when changes are being made to systems or processes.</p> <p>Internal Auditors work closely with the Risk,</p>
	b) Ensure effective organisational performance management and accountability?	<input type="checkbox"/>			
	c) Communicate risk and control information to appropriate areas of the organisation?	<input type="checkbox"/>			
	d) Coordinate the activities of and communicate information among the board, external and internal auditors and management?	<input type="checkbox"/>			

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					Insurance and Information Governance Team and the Fraud Investigators to ensure learning is shared across all disciplines.
	Has the internal audit activity evaluated the:				This would be built into the risk and controls reviewed within service area audits.
	a) design	<input type="checkbox"/>			
	b) implementation, and	<input type="checkbox"/>			
	c) effectiveness of the organisation's ethics-related objectives, programmes and activities?	<input type="checkbox"/>			
	Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	<input type="checkbox"/>			<p>This would be delivered on a system by system basis. However, days are included in the plan each year to review ICT Services. Salford Computer Audit Services are engaged to undertake the more technical reviews and days are also included for advice and support in relation to ICT controls in other audit reviews.</p> <p>When new systems are being introduced Internal Audit are involved and a system sign off is completed to ensure that the system is fit for purpose and does not expose the Council to any unforeseen risks.</p>
	<i>2120 Risk Management</i>				
	Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that:				

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	a) Organisational objectives support and align with the organisation's mission?	<input type="checkbox"/>			<p>The Head of Risk Management and Audit (CAE) is also responsible for setting the Council's Risk Management Framework and therefore is able to influence whether the Council is taking adequate steps to effectively manage risk.</p> <p>All reports that are presented to the Single Leadership Team, Board, Panels, Working Groups and Council all have to consider the risk management implications as it is built into the reporting template.</p> <p>The Corporate Risk Register was reviewed and presented to the Audit Panel in October 2019 and an update will be presented in June 2020.</p> <p>The risk management process is under review in conjunction with the Single Leadership Team to determine the most effective way forward as we continue to integrate with the CCG. The Corporate Risk Register has been aligned with the Themes of the Corporate Plan</p>
	b) Significant risks are identified and assessed?	<input type="checkbox"/>			<p>See above.</p> <p>All audits are risk based and involve reviewing the risks for the area under review.</p>
	c) Appropriate risk responses are selected that align risks with the organisation's risk appetite?	<input type="checkbox"/>			<p>See above.</p>
	d) Relevant risk information is captured and communicated in a timely manner across the organisation, thus enabling the staff,	<input type="checkbox"/>			<p>See above.</p> <p>A written report is issued to management for all work</p>

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	management and the board to carry out their responsibilities?				<p>undertaken by the Internal Audit Team setting out the risks reviewed and the findings and recommendations.</p> <p>The progress reports presented by the Head of Risk Management and Audit to the Audit Panel/ Greater Manchester Pension Fund Local Board cover these aspects.</p> <p>Where a fraud investigation is undertaken a control report is produced thereafter to ensure that any control issues identified are resolved to minimise similar frauds occurring in the future.</p>
	Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the:				
	a) Achievement of the organisation's strategic objectives?	<input type="checkbox"/>			<p>The Councils strategic objectives are set out in the Corporate Plan. The Annual Audit Plan is risk based and meets the priorities identified during the planning process undertaken in conjunction with Senior Managers, Executive Members, Director of Finance (Section 151 Officer) and the Assistant. Director of Finance (Deputy Section 151 Officer).</p>
	b) Reliability and integrity of financial and operational information?	<input type="checkbox"/>			<p>Audits within the Annual Audit Plan meet this requirement. Several audits within the plan specifically cover this point, e.g. General Ledger, Payroll, Creditors. Operational audits also cover aspects depending on the risks reviewed. A System Sign Off is also undertaken to ensure the integrity of data/information when new systems are introduced or existing amended/updated.</p>

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	c) Effectiveness and efficiency of operations and programmes?	<input type="checkbox"/>			See above.
	d) Safeguarding of assets?	<input type="checkbox"/>			See above.
	e) Compliance with laws, regulations, policies, procedures and contracts?	<input type="checkbox"/>			See above.
	<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 Code of Practice on Managing the Risk of Fraud and Corruption, and strongly recommends that it is used as the basis for assessment of how an authority manages its fraud risk.</p>	<input type="checkbox"/>			<p>This is done as part of the annual planning process and details are included in the Annual Audit Plan and Report.</p> <p>Frauds investigated are reviewed.</p> <p>Attendance at regional fraud groups also provides intelligence and shared learning.</p> <p>National Fraud reports and fraud alerts/bulletins produced by NAFN Data and Intelligence Services are reviewed.</p> <p>The Code of Practice has been used to assess the team in conjunction with the requirements of the Strategy for Fighting Fraud and Corruption Locally.</p>
	Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	<input type="checkbox"/>			All consultancy reviews are risk based and focus on risk and control issues and they are delivered in line with the objectives of the engagement.
	Are internal auditors alert to other significant risks when undertaking consulting engagements?	<input type="checkbox"/>			<p>As above.</p> <p>An experienced Team is in place and auditors are alert to other risks.</p>
	Do internal auditors incorporate knowledge of risks gained from consulting engagements into their				An experienced Team is in place, managed by two experienced Principal Auditors and the knowledge of

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	evaluation of the organisation's risk management processes?				risks gained from consulting requirements where appropriate are used to evaluate the organisations risk management processes.
	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?	<input type="checkbox"/>			Risks, controls, findings and recommendations are presented to management in an Internal Audit Report for action by the relevant service.
	<i>2130 Control</i>				
	Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the:				
	a) Achievement of the organisation's strategic objectives?	<input type="checkbox"/>			This is achieved through the delivery of the Annual Audit Plan and following the recognised audit procedure set out in the Audit Manual/Quality Control Checklist, using the Audit Management System Galileo.
	b) Reliability and integrity of financial and operational information?	<input type="checkbox"/>			See above.
	c) Effectiveness and efficiency of operations and programmes?	<input type="checkbox"/>			See above.
	d) Safeguarding of assets?	<input type="checkbox"/>			See above.
	e) Compliance with laws, regulations, policies, procedures and contracts?	<input type="checkbox"/>			See above.

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	Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	<input type="checkbox"/>			<p>Auditors provide an update of their work at regular one to one meetings with their Principal Auditor. Regular meetings are held between the Head of Risk Management and Audit (CAE) and the Principal Auditors where key findings are discussed. Feedback is provided on a regular basis from all staff. All reports are read by the Head of Risk Management and Audit (CAE) including investigation reports before they are issued. Liaison between team members is excellent and they share learning and experience on a regular basis to support one another.</p> <p>However, care is taken to ensure that auditors involved in consultancy do not then audit the area.</p>
4.3	2200 Engagement Planning				
	Do internal auditors develop and document a plan for each engagement?	<input type="checkbox"/>			<p>A Terms of Reference document is issued for all audits/reviews, which outlines the objectives, scope, timing and resources with the exception of schools.</p> <p>A standard programme is in place for schools and ahead of the visit, once confirmed with the Head, a pre audit questionnaire and an ICT questionnaire is issued, which asks for information to be provided before the visit.</p> <p>With regards to Greater Manchester Pension Fund Employer Visits a set programme is in place and liaison takes place in advance of a visit. A letter is sent to the Director of Finance which explains the process.</p>

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	Does the engagement plan include the engagement's:				
	a) Objectives?	<input type="checkbox"/>			See above.
	b) Scope?	<input type="checkbox"/>			See above.
	c) Timing?	<input type="checkbox"/>			See above.
	d) Resource allocations?	<input type="checkbox"/>			See above.
	Do internal auditors consider the following in planning an engagement, and is this documented:				
	a) The objectives of the activity being reviewed?	<input type="checkbox"/>			<p>This is documented in the Terms of Reference which forms part of the standard suite of documents produced for an audit. An introductory meeting is held with the service area under review to discuss aspects of the review and to obtain up to date information about the service area. All information is stored within the Audit Management System Galileo.</p> <p>A risk based approach is adopted and the aspects listed are covered when the audit/review is being planned.</p>
	b) The means by which the activity controls its performance?	<input type="checkbox"/>			See above.
	c) The significant risks to the activity being audited?	<input type="checkbox"/>			See above.
	d) The activity's resources?	<input type="checkbox"/>			See above.

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	e) The activity's operations?	<input type="checkbox"/>			See above.
	f) The means by which the potential impact of risk is kept to an acceptable level?	<input type="checkbox"/>			See above.
	g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?	<input type="checkbox"/>			See above.
	h) The opportunities for making significant improvements to the activity's governance, risk management and control processes?	<input type="checkbox"/>			See above.
	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:	<input type="checkbox"/>			On behalf of the Greater Manchester Pension Fund we do audit bodies external to the Council and the same process is adopted as for the Council. A Terms of Reference is issued and the planning takes place with both the organisation concerned and the Officer responsible for that area of work within the Greater Manchester Pension Fund. For Pension Fund Employer Visits a letter is also used to outline the objectives and scope of the audit.
	a) Objectives?	<input type="checkbox"/>			See above.
	b) Scope?	<input type="checkbox"/>			See above.
	c) The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)?	<input type="checkbox"/>			This would be defined as part of the Terms of Reference and the reporting process.

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	For consulting engagements, have internal auditors established an understanding with the engagement clients about the following:				
	a) Objectives?	<input type="checkbox"/>			This would be discussed and agreed for each review and Terms of Reference issued, if appropriate.
	b) Scope?	<input type="checkbox"/>			See above.
	c) The respective responsibilities of the internal auditors and the client and other client expectations?	<input type="checkbox"/>			See above.
	For significant consulting engagements, has this understanding been documented?	<input type="checkbox"/>			See above.
	<i>2210 Engagement Objectives</i>				
	Have objectives been agreed for each engagement?	<input type="checkbox"/>			These are agreed with the service at the audit planning meeting and then formalised in the Terms of Reference.
	Have internal auditors carried out a preliminary risk assessment of the activity under review?	<input type="checkbox"/>			This is discussed between the Principal Auditor and the Auditor responsible for the review ahead of the audit planning meeting with the service area. The auditor would start to research the area under review to determine the potential risks and controls to be covered. This would be done by using control matrices available, TIS Online, looking at previous audits delivered and by speaking to colleagues in the team. The risks would be discussed with the service at the audit planning meeting and the key risks to focus on would be prioritised and agreed.

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	Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	<input type="checkbox"/>			All Terms of Reference are reviewed by the Principal Auditors who will ensure that the preliminary work is reflected in the objectives, however, this can change when the planning meeting takes place and throughout the audit if something comes to light. It is important that the scope of the audit is deliverable within the days allocated to the audit.
	Have internal auditors considered the probability of the following, when developing the engagement objectives:				
	a) Significant errors?	<input type="checkbox"/>			<p>The auditors will consider each of these factors when planning the audit and developing the Internal Control Evaluation Action Plan which lists the risks and controls to be covered.</p> <p>This is reviewed by the Principal Auditor in line with the Audit Manual and Quality Control Checklist.</p>
	b) Fraud?	<input type="checkbox"/>			See above.
	c) Non-compliance?	<input type="checkbox"/>			See above.
	d) Any other risks?	<input type="checkbox"/>			See above.
	Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether objectives and goals have been accomplished?	<input type="checkbox"/>			Internal audit undertake periodic reviews of performance management across the Council and the need for this is identified as part of the Annual Audit Planning process.
	If the criteria have been deemed adequate, have	<input type="checkbox"/>			Performance management is an area which is

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	the internal auditors used the criteria in their evaluation of governance, risk management and controls?				considered as a standard control in each audit assignment.
	If the criteria have been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	<input type="checkbox"/>			Such issues would be reported in an audit report to management and agreement to the recommendations would be obtained from senior management.
LGAN	If the value for money criteria have been referred to, has the use of all the organisation's main types of resources been considered; including money, people and assets?	<input type="checkbox"/>			Value is one of the control objectives considered in all audit reviews, however, full value for money audits are not routinely completed.
	Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	<input type="checkbox"/>			This would be agreed on a case by case basis with the service for each consultancy assignment.
	Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	<input type="checkbox"/>			The Principal Auditors and the Head of Risk Management and Audit (CAE) would make this assessment based on the request for consultancy work to determine whether it was consistent with the Council's objectives. If not, the assignment would not be accepted.
	<i>2220 Engagement Scope</i>				
	Is the scope that is established for the engagement sufficient to satisfy the engagement's objectives?	<input type="checkbox"/>			This would be confirmed in the Terms of Reference once agreed with the service area manager.
	Does the engagement scope include consideration of the following relevant areas of the organisation:				
	a) Systems?	<input type="checkbox"/>			This would be confirmed in the Terms of Reference

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					once agreed with the service area manager.
	b) Records?	<input type="checkbox"/>			See above.
	c) Personnel?	<input type="checkbox"/>			See above.
	d) Premises?	<input type="checkbox"/>			See above.
	Does the engagement scope include consideration of the following relevant areas under the control of outside parties, where appropriate:				
	a) Systems?	<input type="checkbox"/>			This would be agreed on a case by case basis dependent on the nature of the audit assignment and discussed at the audit planning meeting to ensure all parties were engaged and aware of the review.
	b) Records?	<input type="checkbox"/>			See above.
	c) Personnel?	<input type="checkbox"/>			See above.
	d) Premises?	<input type="checkbox"/>			See above.
	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?	<input type="checkbox"/>			Any changes to an audit would be agreed with senior management in advance to ensure clarity and understanding. Principal Auditors would use their experience and professional judgement to determine the best way forward and consult with the Head of Risk Management and Audit (CAE) where appropriate. Consideration would be given to separating the two aspects and assigning another auditor to the

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					consultancy element to reduce the risk of impartiality.
	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?	<input type="checkbox"/>			The reporting lines and format for reporting would be agreed at the outset of the review and reporting would be consistent with the standards adopted as per the Audit Manual/Control Checklist and the Audit Management System Galileo, which holds all the standard reporting templates.
	For a consulting engagement, was the scope of the engagement sufficient to address any agreed-upon objectives?	<input type="checkbox"/>			This would be agreed with the service area at the planning meeting and documented in the Terms of Reference.
	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?	<input type="checkbox"/>			Any concerns would be flagged with the Principal Auditor who would raise this with the Service Manager and the Head of Risk Management and Audit (CAE).
	During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	<input type="checkbox"/>			This would be documented in the Audit Management System Galileo and agreed at the planning meeting and covered by the Terms of Reference. The quality control process in place ensures that the controls have been sufficiently addressed.
	During consulting engagements, were internal auditors alert to any significant control issues?	<input type="checkbox"/>			The auditors are mindful of control issues and if a matter was significant enough this would be reported to their Principal Auditor and if necessary the Head of Risk Management and Audit (CAE).

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	<i>2230 Engagement Resource Allocation</i>				
	Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of the engagement based on:				
	a) The nature and complexity of each individual engagement?	<input type="checkbox"/>			An estimated resource is included in the annual internal audit plan at the outset of each financial year. These timescales are usually adhered to unless there is a reason to amend. Any requirement for increased resource will be agreed with the Principal Auditor and Head of Risk Management and Audit (CAE). If it transpires that the allocated days are not required then the auditor has the flexibility to deliver under resource as long as the objectives of the scope have been met. This would be checked as part of the quality control process.
	b) Any time constraints?	<input type="checkbox"/>			See above.
	c) The resources available?	<input type="checkbox"/>			See above.
	<i>2240 Engagement Work Programme</i>				
	Have internal auditors developed and documented work programmes that achieve the engagement objectives?	<input type="checkbox"/>			This is outlined in the Internal Audit Manual/Quality Control Checklist and driven by using the Audit Management System Galileo which hosts all the standard documents/templates used.
	Do the engagement work programmes include the following procedures for:				
	a) Identifying information?	<input type="checkbox"/>			This is outlined in the internal audit quality control

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					checklist and driven by using the Audit Management System Galileo which hosts all the standard documents/templates. The Team consists of a number of experienced auditors who are able to undertake audits and cover the aspects listed below.
	b) Analysing information?	<input type="checkbox"/>			See above.
	c) Evaluating information?	<input type="checkbox"/>			See above.
	d) Documenting information?	<input type="checkbox"/>			See above.
	Were work programmes approved prior to implementation for each engagement?	<input type="checkbox"/>			The work programme/internal control evaluation action plan and any test schedules are reviewed by the Principal Auditor prior to work being undertaken.
	Were any adjustments required to work programmes approved promptly?	<input type="checkbox"/>			These would be approved with the Principal Auditor and/or the Head of Risk Management and Audit (CAE) as required.
4.4	2300 Performing the Engagement				
	Have internal auditors carried out the following in order to achieve each engagement's objectives:				
	a) Identify sufficient information?	<input type="checkbox"/>			This is achieved through using the Audit Management System Galileo which guides the auditor through the audit process and holds the standard documents/templates in line with the Audit Manual/Quality Control Checklist. Any issues would be picked up as part of the quality review process and during supervisions.

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	b) Analyse sufficient information?	<input type="checkbox"/>			See above.
	c) Evaluate sufficient information?	<input type="checkbox"/>			See above.
	d) Document sufficient information?	<input type="checkbox"/>			See above.
	<i>2310 Identifying Information</i>				
	Have internal auditors identified the following in order to achieve each engagement's objectives:				
	a) Sufficient information?	<input type="checkbox"/>			This is achieved through using the Audit Management System Galileo which guides the auditor through the audit process and holds the standard documents/templates in line with the Audit Manual/Quality Control Checklist. Any issues would be picked up as part of the quality review process and during supervisions.
	b) Reliable information?	<input type="checkbox"/>			See above.
	c) Relevant information?	<input type="checkbox"/>			See above.
	d) Useful information?	<input type="checkbox"/>			See above.
	<i>2320 Analysis and Evaluation</i>				
	Have internal auditors based their conclusions and engagement results on appropriate analyses and evaluations?	<input type="checkbox"/>			The information is recorded on the Audit Management System Galileo, which is used to populate the standard documents/templates as defined in the Audit Manual/Quality Control Checklist. Each audit is reviewed by a Principal Auditor and all working papers are reviewed to ensure that the objectives of the audit have been

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					achieved and that the conclusions and recommendations are based on sound analyses and evaluations.
LGAN	Have internal auditors remained alert to the possibility of the following:				
	a) intentional wrongdoing	<input type="checkbox"/>			<p>As part of each assignment the auditor needs to complete an internal control evaluation action plan which lists all relevant risks, expected controls, actual controls and then an evaluation of the outcome. There are a number of specific risks which should be looked at as part of each audit therefore ensuring that key themes are considered throughout.</p> <p>The team consists of a number of experienced auditors who are alert to the possibility of wrongdoing, errors and omissions, poor value for money, failure to comply with management policy and conflicts of interest.</p> <p>Issues are reported to the Principal Auditors and, where necessary, additional resources would be drafted in to assist depending on the issue identified or it may be referred to the Fraud Investigators/Counter Fraud Specialists. Liaison takes place with the Head of Risk Management and Audit (CAE) where appropriate.</p>
	b) errors and omissions	<input type="checkbox"/>			See above.
	c) poor value for money	<input type="checkbox"/>			See above.

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	d) failure to comply with management policy, and	<input type="checkbox"/>			See above.
	e) conflicts of interest	<input type="checkbox"/>			See above.
	When performing their individual audits, and has this been documented?	<input type="checkbox"/>			This would be documented within the Audit Management System Galileo.
	<i>2330 Documenting Information</i>				
	Have internal auditors documented the relevant information required to support engagement conclusions and results?	<input type="checkbox"/>			<p>This would all be documented in the Audit Management System Galileo. Principal Auditors check compliance as part of the quality review process. A suite of standard documents/templates have been prepared which auditors need to complete throughout their assignments.</p> <p>A review checklist is in place which the auditors complete throughout the assignment which links to all key documentation which needs to be in place. Any queries would be referred back to the auditor in the form of "Review Points" for further work or clarification.</p>
LGAN	Are working papers sufficiently complete and detailed to enable another experienced internal auditor with no previous connection with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached?	<input type="checkbox"/>			See above.
	Does the CAE control access to engagement records?	<input type="checkbox"/>			The arrangements for releasing reports are set out in the Annual Audit Plan Report, the Internal Audit Charter and the reporting matrix.

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					Internal Audit working papers are maintained and recorded within the Audit Management System Galileo which is held on the Council's servers managed by ICT Services. Access to the system is restricted to members of the Internal Audit Team and controlled by a username and password.
	Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?	<input type="checkbox"/>			As detailed in the Quality Control Checklist audit reports have to be cleared for issue by the Assistant Director responsible for the area under review and the Head of Risk Management and Audit (CAE). Any areas of concern in the report relating to legal issues would be discussed with the Head of Legal Services and likewise employment issues with the Assistant Director of People and Workforce Development. Any significant issues would be raised the appropriate Director and the Assistant Director of Finance (Deputy Section 151 Officer).
	Has the CAE developed and implemented retention requirements for all types of engagement records?	<input type="checkbox"/>			The retention periods are set out in the Audit Manual and the Councils Retention and Disposal Guidelines and Schedule which are available of the Staff Portal as part of the Information Governance page.
	Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	<input type="checkbox"/>			The retention periods are set out in the Audit Manual and in the Councils Retention and Disposal Guidelines and Schedule which are available of the Staff Portal as part of the Information Governance page.
	<i>2340 Engagement Supervision</i>				
	Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and	<input type="checkbox"/>			The Principal Auditor will attend the planning meeting with the auditor to ensure a shared

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	that staff are developed?				<p>knowledge of the area and agreement in respect of the objectives and scope of the audit. A quality review process is built in the process to ensure that adequate supervision arrangements are in place. If the auditor feels it appropriate to meet with the Head of Risk Management and Audit (CAE) at any stage to discuss the audit then this will be accommodated.</p> <p>The Quality Control Checklist and the Galileo system capture key dates where supervision has taken place.</p>
	Is appropriate evidence of supervision documented and retained for each engagement?	<input type="checkbox"/>			<p>See above response. When a draft report is issued from the Audit Management System Galileo a number of review points can be raised in the system and it keeps a trail of these to ensure all points have been closed before the report is issued. The Principal Auditors are responsible for ensuring all aspects of the Quality Control Process are adhered to and documented.</p>
4.5	2400 Communicating Results				
	Do internal auditors communicate the results of engagements?	<input type="checkbox"/>			<p>Draft and final reports are issued by the Head of Risk Management and Audit (CAE). The Auditor and Principal Auditor would attend the closure meeting to verbally communicate the findings and recommendations and discuss management responses.</p>
	<i>2410 Criteria for Communicating</i>				
	Do the communications of engagement results include the following:				

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	a) The engagement's objectives?	<input type="checkbox"/>			A standard reporting template is used which covers:- <ul style="list-style-type: none"> • Introduction; • Audit Scope and Objectives; • Risks; • Audit Outcome; • Audit Assurance; • Action Plan; and • Levels of Priority/Assurance.
	b) The scope of the engagement?	<input type="checkbox"/>			As above.
	c) Applicable conclusions?	<input type="checkbox"/>			As above.
	d) Recommendations and action plans, if appropriate?	<input type="checkbox"/>			As above.
LGAN	Has the internal auditor discussed the contents of the draft final report with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions?	<input type="checkbox"/>			A draft report closure meeting is held for every audit prior to the final report being issued.
LGAN	If recommendations and an action plan have been included, are recommendations prioritised according to risk?	<input type="checkbox"/>			All recommendations are graded with a priority:- High Medium Low Efficiency
LGAN	If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?	<input type="checkbox"/>			Recommendations will be discussed at the draft report closure meeting and an agreed action, target date and responsible officer will be agreed with service management and their response will be included in the final report.

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LGAN	If there are any areas of disagreement between the internal auditor and management, which cannot be resolved by discussion, are these recorded in the action plan and the residual risk highlighted?	<input type="checkbox"/>			<p>This happens very rarely as agreement is reached through negotiation. If a recommendation could not be agreed then it would be recorded as 'Not Agreed' in the action plan and included in the final report which goes to the Chief Executive, Director of Governance and Pensions (Monitoring Officer), Director of Finance (Section 151 Officer) and the Executive Member for the service area under review.</p> <p>Disagreements would be discussed with the Assistant Director of Finance (Deputy Section 151 Officer).</p>
LGAN	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, subject to confidentiality requirements?	<input type="checkbox"/>			The auditors are expected to disclose material facts in the report and this is checked by the Principal Auditor when reviewing the working papers.
LGAN	Do the final communications of engagement results contain, where appropriate, the internal auditor's opinions and/or conclusions, building up to the annual internal audit opinion on the control environment?	<input type="checkbox"/>			Every report includes an audit outcome and an audit assurance level/statement. The Head of Risk Management and Audit (CAE) takes account of these when preparing the annual opinion.
	When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	<input type="checkbox"/>			The draft report will include the assurance statement which can be discussed with senior management before the report is issued. The Audit Panel/Greater Manchester Pension Fund Local Board will have sight of the final assurance statement and have the ability to call officers to a future meeting to explain their response where a low level of assurance has been issued.

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	When an opinion or conclusion is issued, is it supported by sufficient, reliable, relevant and useful information?	<input type="checkbox"/>			This is achieved through adherence to the Audit Manual/Quality Control Checklist and the use of the Audit Management System Galileo, a thorough review process and discussion and engagement with management to ensure the report accurately reflects the area reviewed and that the recommendations are accepted for implementation.
	Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	<input type="checkbox"/>			If good practice is identified as part of the review this is outlined in the audit outcome section of the report. This is also reflected by the number of recommendations made and the assurance level given.
	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?	<input type="checkbox"/>			Where applicable this would be added to the report and the email communication sent with it.
LGAN	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?	<input type="checkbox"/>			When undertaking reviews of partnership arrangements these are done on behalf of the Council and the scope would be set to ensure that the audit focuses on the Council's interests.
	<i>2420 Quality of Communications</i>				
	Are communications:				
	a) Accurate?	<input type="checkbox"/>			All fieldwork is reviewed by the Principal Auditors. Reports are initially issued as draft and a closure

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					meeting held with the service to agree the findings and recommendations before the final report is issued. The final report is reviewed by the Head of Risk Management and Audit (CAE). This process is captured in the Audit Manual/Quality Control Checklist
	b) Objective?	<input type="checkbox"/>			As above this would be part of the quality review process.
	c) Clear?	<input type="checkbox"/>			As above.
	d) Concise?	<input type="checkbox"/>			As above.
	e) Constructive?	<input type="checkbox"/>			As above.
	f) Complete?	<input type="checkbox"/>			As above.
	g) Timely?	<input type="checkbox"/>			A draft report deadline is agreed with the client at the outset of the audit. The auditor will then plan their work to ensure that the deadline is achieved and adequate time is factored in for quality review by the Principal Auditor.
	<i>2421 Errors and Omissions</i>				
	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?	<input type="checkbox"/>			The factual accuracy of the report should be dealt with at draft report stage where a closure meeting is held with the service to agree the findings and recommendations. If an error was identified after issuing the final report and notified to Internal Audit, the Head of Risk Management and Audit (CAE) would discuss this with the Principal Auditor and make an assessment on whether the change was

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					necessary and if so the final report would be amended and recirculated to all recipients.
	<i>2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'</i>				
	Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?	<input type="checkbox"/>			All reports state that the "This Audit has been undertaken in accordance with the Public Sector Internal Audit Standards". Conformance is reported to the Audit Panel/Greater Manchester Pension Fund Local Board on an annual basis.
	<i>2431 Engagement Disclosure of Nonconformance</i>				
	Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following:				
	a) 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?	<input type="checkbox"/>			<p>The Self-assessment undertaken by the Head of Risk Management and Audit against the PSIAS has not identified any significant issues. A full report is provided to the Audit Panel annually assessing the service against PSIAS. The only issue reported to the Panel was the requirement to have an external assessment every five years.</p> <p>In terms of individual pieces of work these are monitored throughout the audit by the Principal Auditors and subject to final review by the Head of Risk Management and Audit (CAE) before being issued. If any concerns came to light throughout the work these would be reported to the Head of Risk</p>

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					Management and Audit (CAE) who would report to the Assistant Director of Finance (Deputy Section 151 Officer) as appropriate. To date, no incidents have come to light and therefore it is not possible to evidence examples of where this has happened.
	b) The reason(s) for non-conformance?	<input type="checkbox"/>			See above.
	c) The impact of non-conformance on the engagement and the engagement results?	<input type="checkbox"/>			See above.
	<i>2440 Disseminating Results</i>				
	Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	<input type="checkbox"/>			<p>Reporting lines within the service area will be agreed at the audit planning meeting, however, as set out in the Annual Plan Report, Internal Audit Charter and Reporting Matrix, a standard reporting protocol is in place.</p> <p>At the draft report stage this will usually include the relevant Assistant Director, Head of Service and any service manager involved in delivering the service or responsible for implementing a recommendation.</p> <p>The final report will go to all of the above and the Chief Executive, Director of Governance and Pensions (Monitoring Officer), Director of Finance (Section 151 Officer), Assistant Director of Finance (Deputy Section 151 Officer) the Director and Executive Member for the area under review and External Audit.</p> <p>The assurance level for each audit will be reported to Audit Panel/ Greater Manchester Pension Fund</p>

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					<p>Local Board.</p> <p>Reporting to external organisations in relation to the Pension Fund is discussed with the managers at each stage of the process.</p> <p>Should any other officer require a copy of the report a request must be made to the Head of Risk Management and Audit (CAE) who will then either seek approval from the Assistant Director of Finance (Deputy Section 151 Officer) or relevant Director requesting authorisation to release the report.</p> <p>Extract Reports may be issued in some instances where an officer may be responsible for only one or two recommendations and that officer does not need to see the full detail of the report.</p>
	Has the CAE communicated engagement results to all appropriate parties?	<input type="checkbox"/>			As above.
	Before releasing engagement results to parties outside the organisation, did the CAE:				
	a) Assess the potential risk to the organisation?	<input type="checkbox"/>			See above.
	b) Consult with senior management and/or legal counsel as appropriate?	<input type="checkbox"/>			See above.
	c) Control dissemination by restricting the use of the results?	<input type="checkbox"/>			See above.
	Where any significant governance, risk management and control issues were identified	<input type="checkbox"/>			Ordinarily, when undertaking a consultancy engagement the results of this would be reported to

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	during consulting engagements, were these communicated to senior management and the board?				the service commissioning the work. However, if serious issues were identified then the Head of Risk Management and Audit (CAE) would flag these with the Director of Finance (Section 151 Officer) and/or the Assistant Director of Finance (Deputy Section 151 Officer) and, if necessary, instigate a change to the audit plan so that the issues can be looked at in more detail.
	<i>2450 Overall Opinion</i>				
	Has the CAE delivered an annual internal audit opinion?	<input type="checkbox"/>			This is included in the Annual Report which is presented to the Audit Panel/Greater Manchester Pension Fund Local Board every year usually May/June.
	Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?	<input type="checkbox"/>			This is reported in the Head of Risk Management and Audit's (CAE) Annual Report to the Audit Panel/Greater Manchester Pension Fund Local Board.
	Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	<input type="checkbox"/>			The annual opinion is reported to the Director of Finance (Section 151 Officer)/Assistant Director of Finance (Deputy Section 151 Officer) and the Audit Panel/ Greater Manchester Pension Fund Local Board who can comment should they wish.
	Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information?	<input type="checkbox"/>			The annual audit opinion is based on the results of audit work over the financial year and recorded in the Audit Management System Galileo.

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					<p>Regular activity reports are provided to Senior Management which show the plan for their area, actual days delivered, the status of the audit and any assurance levels allocated.</p> <p>Assurance levels are reported to the Audit Panel/Greater Manchester Pension Fund Local Board at every meeting in the Progress Report presented by the Head of Risk Management and Audit Services (CAE).</p> <p>The annual opinion draws on the information from these and also the details included in the Annual Governance Statement.</p>
	Does the communication identify the following:				
	a) The scope of the opinion, including the time period to which the opinion relates?	<input type="checkbox"/>			Annual Report.
	b) Any scope limitations?	<input type="checkbox"/>			Annual Report.
	c) The consideration of all related projects including the reliance on other assurance providers?	<input type="checkbox"/>			Annual Report.
	d) The risk or control framework or other criteria used as a basis for the overall opinion?	<input type="checkbox"/>			Annual Report.
	Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	<input type="checkbox"/>			These would be detailed in the Annual Report should the need arise.
	Has the CAE delivered an annual report that can	<input type="checkbox"/>			The Annual Report produced by the Head of Risk

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	be used by the organisation to inform its governance statement?				Management and Audit is used as part of the assurance framework for the Annual Governance Statement.
	Does the annual report incorporate the following:				
	a) The annual internal audit opinion?	<input type="checkbox"/>			Annual Report.
LGAN	b) A summary of the work that supports the opinion?	<input type="checkbox"/>			Annual Report.
LGAN	c) A disclosure of any qualifications to the opinion?	<input type="checkbox"/>			Annual Report.
LGAN	d) The reasons for any qualifications to the opinion?	<input type="checkbox"/>			Annual Report.
LGAN	e) A disclosure of any impairments or restriction in scope?	<input type="checkbox"/>			Annual Report.
LGAN	f) A comparison or work actually carried out with the work planned?	<input type="checkbox"/>			Annual Report.
	g) A statement on conformance with the PSIAS?	<input type="checkbox"/>			Annual Report.
LGAN	h) The results of the QAIP?	<input type="checkbox"/>			Annual Report.
LGAN	i) Progress against any improvement plans resulting from the QAIP?	<input type="checkbox"/>			Annual Report.
LGAN	j) A summary of the performance of the internal audit activity against its performance measures and targets?	<input type="checkbox"/>			Annual Report.

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	k) Any other issues that the CAE judges is relevant to the preparation of the governance statement?	<input type="checkbox"/>			Reference is made in the Annual Report that it provides assurance for the Annual Governance Statement.
4.6	2500 Monitoring Progress				
	Has the CAE established a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action?	<input type="checkbox"/>			<p>Post Audit Reviews are conducted six months after the issue of a final report. However, if a low level of assurance is given then the Post Audit Review is conducted after three months.</p> <p>All Post Audit Reviews are recorded in a spreadsheet and monitored by both the auditor who issued the final report and the Principal Auditor. The audit management system is not used to track recommendations, although this has been identified as a development area.</p> <p>When they fall due the auditor will prepare the Post Audit Review document from Galileo making reference to the final report issued to ensure the process has captured all the recommendations made. This is then issued to the responsible officers for completion. Meetings are then arranged to discuss the recommendations and whether they have been implemented. Once completed and the evidence collated the Post Audit Review is reviewed by the Principal Auditor. Before it is released the Assistant Director for the area is asked to authorise release in accordance with the quality control checklist.</p>

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					<p>The final document is then sent to the Head of Risk Management and Audit (CAE) for review. Once approved it is circulated to all recipients of the final report.</p> <p>Results of progress are reported at summary level to the Audit Panel/Greater Manchester Pension Fund Local Board at each meeting. Any significant outstanding recommendations that are of concern to Internal Audit would be reported to the Audit Panel/Greater Manchester Pension Fund Local Board; however, in the majority of cases these are implemented.</p> <p>A more detailed report is provided to management as part of the quarterly review meetings which are conducted by the Principal Auditors.</p>
	Where issues have arisen during the follow-up process, has the CAE considered revising the internal audit opinion?	<input type="checkbox"/>			<p>A revised audit opinion is not issued as the Post Audit Review only looks at the recommendations made, it does not revisit all controls examined at the audit and therefore at that stage cannot confirm that all controls are still operating effectively. In the Post Audit Review report an outcome is reported which indicates that by implementing the recommendations the internal controls in place will have improved.</p>
	Do the results of monitoring management actions inform the risk-based planning of future audit work?	<input type="checkbox"/>			<p>This is considered as part of the risk assessment of the audit universe which is undertaken each year during the annual planning process.</p>
	Does the internal audit activity monitor the results of consulting engagements as agreed with the	<input type="checkbox"/>			<p>This is agreed on a case by case basis with the service area concerned.</p>

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	client?				
4.7	2600 Communicating the Acceptance of Risks				
	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?	<input type="checkbox"/>			If agreement could not be reached then this would be recorded in the internal audit report next to the relevant audit recommendation by way of an Audit Comment, which would reiterate the original recommendation. Significant issues would be raised with the Service Director and the Director of Finance (Section 151 Officer)/Assistant Director of Finance (Deputy Section 151 Officer) and where appropriate reported to the Audit Panel/ Greater Manchester Pension Fund Local Board. However, this has not happened in recent years and usually agreement is reached with senior management through negotiations prior to reaching the escalation stage.
	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?	<input type="checkbox"/>			See above.