

EVALUATION OF INTERNAL AUDIT – EXTERNAL AUDITOR

Terms of Reference and Audit Strategy

	Strong	Adequate	Needs improvement
Evaluate internal audit's current terms of reference given your understanding of the organisation's business, complexity, risk environment and the current developments in internal audit		✓	

	Yes	No
From your knowledge of internal audit and industry best practice, do you consider internal audit's current terms of reference of appropriate quality?	✓	

Comments

The requirement to carry out a detailed review of Internal Audit every three years no longer exists and it is some time since our previous review. Therefore, it is difficult to provide a fair assessment in the more detailed areas included within this checklist.

Skills and experience

	Strong	Adequate	Needs improvement
What is your evaluation of the senior members of the internal audit		✓	

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team's understanding of the organisation, its business and its risk environment			
What is your assessment of the internal audit team's experience in key functional specialisations, in the context of what is needed for the proper discharge of their roles and responsibilities:		✓ IT Risk management	

Comments

The requirement to carry out a detailed review of Internal Audit every three years no longer exists and it is some time since our previous review.

Our review of Internal Audit is therefore now limited to:

- reviewing Internal Audit plans to identify work we may seek to place reliance on;
- reviewing individual pieces of Internal Audit work to identify any issues that may be relevant to our understanding of the control environment; and
- reviewing individual pieces of Internal Audit work where we are seeking to place reliance for the audit of the financial statements.

It is therefore difficult for us to provide a fair assessment in the more detailed areas included in the checklist above.

	Yes	No
Do you consider the internal audit team have the professional experience, technical skills, inter-personal skills and seniority to effectively carry out the internal audit work required?	✓	
Do you consider internal audit have sufficient resources to satisfy their terms of reference?	✓	
Does the structure of	✓	

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internal audit appear to facilitate a proper understanding of the organisation's business issues?		
Does internal audit's staffing appear to adequately reflect its roles and responsibilities?	✓	
In your assessment, is the internal audit strategy and methodology robust and does it reflect the latest thinking in internal audit	Not known without detailed review of methodology	
Comments		
see comments above		

Work Programme

	Yes	No
Are there regular discussions between internal and external audit on internal and external audit strategies, assessment of risks and the implications of audit findings and audit work?	✓	
Is progress against plan monitored jointly by internal and external audit regularly throughout the year?	✓	
Do you receive copies of all relevant internal audit reports issued by internal audit?	✓	
Are copies of internal audit reports received on a timely basis?	✓	not always on Galileo on a timely basis but sent as soon as requested after reported to audit

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		committee
Are internal audit reports of a standard comparable to best practice in other organisations?	✓	
To the best of your knowledge, are there any major areas of risk or concern that internal audit did not cover in the last financial year?		✓

Overall Comments

The standard of Internal Audit reports has improved in recent years, including progress reports, which are now much clearer.