1	Scope of Internal Audit				
1.1	**Terms of Reference**	**Y**	**P**	**N**	**Comments/Areas for Improvement**

1.1.1	Do Terms of Reference:
	
	a) Establish the responsibilities and objectives of IA?
	b) Establish the organisational independence of IA
	c) establish the accountability, reporting lines and relationships between the H of IA and:
	
	   o with those charged with governance?
	   o those parties to whom the H of IA may report?
	
	d) Recognise that IA's remit extends to the entire control environment of the organisation?
	e) Identify IA's contribution to the review of the effectiveness of the control environment?
	f) Require and enable the H of IA to deliver an annual audit opinion?
	g) define the role of IA in any fraud-related or consultancy work (see also 1.3.2)
	h) Explain how IA's resource requirements will be assessed?
	i) Establish IA's right of access to all records, assets, personnel and premises, including those of partner organisations, and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities?
		√
		√
		√
		
		√
		√
		
		√
		
		√
		
		√
		
		√
		
		√
		√
					TOR's for Internal Audit are set out in the Internal Audit Charter as referred to in the Financial Procedure Rules which are part of the Council's Constitution.

1.1.2	Does the H of IA advise the organisation on the content and the need for subsequent review of the terms of reference?	√			The Internal Audit Charter refers to it being review annually
1.1.3	Have the terms of reference been formally approved by the organisation?	√			The Constitution is approved by Full Council. The current Internal Audit Charter was approved by Audit Committee in October 2010

1	Scope of Internal Audit				
1.1	**Terms of Reference (contd.)**	**Y**	**P**	**N**	**Comments/Areas for Imrovement**
1.1.4	Are terms of reference regularly reviewed?	√			
1.2	**Scope of work**	**Y**	**P**	**N**	
1.2.1	Are the organisations assurance, risk managements and monitoring mechanisms taken into account when determining IA's work and where effort should be concentrated?	√			Corporate and service strategic risks registers are considered as part of the annual planning process and audit plans are cross-referenced to risk register entries. Operational risks will be identified and considered as part of each audit review.

1.2.2	Where services are provided in partnership has the H of IA identified:
	
	     How assurance will be sought?
	
	     Agreed access rights, where appropriate?
			√		This question could be answered from 2 perspectives; from the internal audit service aspect and from other council services perspective.
					
					Internal Partnership Agreement in place with PwC Contractual governs right of access to working papers etc.
					
					The Council's Partnership Governance Arrangements should provide access rights to records and systems maintained by the Council Partners. Assurance sources in connection with partnership working are being considered as part of the review of the Council's governance arrangements and as part of this review key partners are being asked to outline their governance arrangements and how they acquire assurance on their effectiveness.
					
					Risks and assurance sources associated with partnership working will also be considered as part of planned governance reviews going forward.

1	Scope of Internal Audit				
1.3	**Other work**	**Y**	**P**	**N**	
1.3.1	Where IA undertakes consultancy and/or fraud and corruption work, does it have the skills, and resources to do this?	√			Skills and any development needs will be addressed through the personal development plan (PDP) process. Internal audit will only undertake work where it is considered that they have the necessary skills and can add value.
1.3.2	Do the terms of reference define IA's role in:	√			.

		Y	P	N	
	Fraud and corruption?				
	Consultancy work?	√			
1.4	**Fraud & Corruption**	**Y**	**P**	**N**	
1.4.1	Has the H of IA made arrangements, within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?	√			Arrangements set out in the Counter Fraud Strategy and Fraud Response Plan

2	**Independence**				
2.1	**Principles of Independence**	**Y**	**P**	**N**	
2.1.1	Is IA: a) Independent of all activities it audits? b) Free from non-audit (operational) duties?	√	√		Audit or peer review of risk management arrangements will be undertaken by third party as HIA also responsible for risk management
2.1.2	Where IA staff have been consulted during system, policy or procedure development, are they precluded from reviewing and making comments during routine or future audits?	√			The structure of the service allows adequate flexibility to ensure independence is not compromised
2.2	**Organisational Independence**	**Y**	**P**	**N**	
2.2.1	Does the status of IA allow it to demonstrate independence?	√			
2.2.2	Does the H of IA have direct access to: Officers? Members?	√ √			.
2.2.3	Does the H of IA have to report in his or her own name to Members and officers?		√		The Head of Internal Audit does report in her own name, but reports to the CMT are presented by the Corporate Director Resources as the Head of IA has no direct reporting line to CMT

2.2.4	a) Is there an assessment that the budget for IA is adequate?
	
	b) does any budget delegated to service areas ensure that:
	
	    IA adherence to the code is not compromised?
	
	    The scope for IA is not affected?
		√
		
		√
		
		√
			
			√
					Reducing audit resources as a result of budget reductions has emphasised the need to develop an effective risk based approach and optimise assurance provided. Scope of audit will be affected as less resources inevitably means less work carried out.

		Y	P	N	
	IA can continue to provide assurance for the Statement on Internal Control?	√			
2.3	**Status of the Head of Internal Audit**	Y	P	N	
2.3.1	Is the H of IA managed by a member of the Corporate Management Team?	√			

2	**Independence**				
2.4	**Independence of IA Contractors**	Y	P	N	
2.4.1	Does the planning process recognise and tackle potential conflicts of interest where contractors also provide non-internal audit services?	√			PwC engaged for pension fund work
2.5	**Declaration of Interest**	Y	P	N	
2.5.1	Do all audit staff make formal declarations of interest?	√			
2.5.2	Does the planning process take account of the declarations of interest registered by staff?	√			.

3	**Ethics for Internal Auditors**				
3.1	**Purpose**	Y	P	N	
3.1.1	Does the H of IA regularly remind staff of their ethical responsibilities?	√			Last addressed formally through IA away day in January 2010 but also more recently through completion of Job Record Documents as part of the job evaluation process. Annual review and communication of audit charter. .
3.2	**Integrity**	Y	P	N	
3.2.1	Has the IA team established an environment of trust and confidence?	√			Internal Audit Charter and personal professional conduct of audit staff
3.2.2	Do internal auditors demonstrate integrity in all aspects of their work?	√			Customer surveys completed at the end of each audit review provide feedback if this were not the case.
3.3	**Objectivity**	Y	P	N	

3.3.1	Are internal auditors perceived as being objective and free from conflicts of interest?	√			.
3.3.2	Is a time period set by the H of IA for staff where they do not undertake an audit in an area where they have had previous operational roles?			√	This will be considered on a one to one risk assessed basis
3.3.3	Are staff rotated on regular/annually audited areas?		√		To maintain continuity and to maximise the use of existing skills and knowledge it is inevitably that some staff continue to work in a certain area longer than others. However, there is flexibility between audit teams and the Audit Management Team strives to ensure that the most effective use is made of the staff resource available.

3	**Ethics for Internal Auditors**				
3.4	**Competence**	**Y**	**P**	**N**	
3.4.1	Does the H of IA ensure that staff have sufficient knowledge of:				Training and awareness session carried out periodically.
	a) The organisation's aims objectives, risks and governance arrangements?	Y			Risk management training provided in May 2010 and October 2010
	b) The purpose, risks and issues of the service area?	Y			Close working relationships now exist between IA & RM, made easier as both services are in the same service group and report to the same manager, the Manager of Internal Audit & Risk.
	c) The scope of each audit assignment?	Y			
	d) Relevant legislation and other regulatory arrangements that relate to the audit?	Y			Audit Managers are primarily reasonable for maintaining awareness within there respective client service areas and ensuring that all teams members carry out adequate research in relation to assignments they are allocated. Any development issues are identified through e PDP process and incorporated into service training plans developed by the H of IA.
					If appropriate, some audit reviews will be carried out jointly with service staff to ensure relevant experience and knowledge are considered during audit reviews.
					Where necessary, the Head of Internal Audit will arrange to buy in services where the in house team lacks sufficient knowledge in a particular area and it is not considered to be cost effective to develop those skills in house.
					Revised audit processes currently being develop to ensure risk

		Y	P	N	based approach adopted at each stage of the audit process.
3.5	**Confidentiality**	**Y**	**P**	**N**	
3.5.1	Do IA staff understand their obligations in respect to confidentiality?	√			Part of employee Code of Conduct and Internal Audit Charter

4	**Audit Committees**				
4.1	**Purpose of the Audit Committee**	**Y**	**P**	**N**	
4.1.1	Does the organisation have an independent audit committee?	√			.
4.2	**Internal Audit's relationship with the Audit Committee**	**Y**	**P**	**N**	
4.2.1	Is there an effective working relationship between the audit committee and IA?	√			Further improvements planned as the committee have requested to meet privately with the H of IA on a regular basis.
4.2.2	Does the committee approve the IA strategy and monitor progress?	√			IA Strategy part of Internal Audit Charter approved by Audit Committee.
4.2.3	Does the committee approve the annual internal audit plan and monitor progress?	√			Quarterly progress reports to Audit Committee
4.2.4	Does the H of IA: a) Attend the committee and contribute to its agenda? b) Participate in the committee's review of its own remit and effectiveness? c) Ensure that the committee receives and understands documents that describe how IA will fulfil its objectives? d) Report on outcomes of IA work to the committee? e) Establish if anything arising from the work of the committee requires consideration of changes to the audit plan, or vice versa? f) Present the annual IA report to the committee?	√ √ √ √ √ √			2011 review of effectiveness considered in workshop facilitated by Audit Commission 13th May 2011
4.2.5	Is there the opportunity for the H of IA to meet privately with the audit committee?		√		To be addressed following workshop. Standard item on each agenda for the opportunity for the Committee to discuss any exceptional issues that may warrant a private meeting.

5	**Relationships**				
5.1	**Principles of good relationships**	**Y**	**P**	**N**	
5.1.1	Is there a protocol that defines the working relationship for IA with: a) Management? b) Other IA's? c) External auditors? d) Other regulators and inspectors? e) Elected members?	√ √ √		√ √	Internal Audit Charter Area for development re partnership working/joint assurance Written protocol in place No formal arrangements in place Officer/Member Protocol within the Constitution
5.2	**Relationships with management**	**Y**	**P**	**N**	
5.2.1	Does the H of IA seek to maintain effective relationships between internal auditors and managers?	√			Quarterly progress reports to DMT's. H of IA and/or Audit Manager attend to present. Consultation during the audit planning process. 1-2-1's in relation to any significant issue arising.
5.2.2	Is the timing of audit work planned in conjunction with management?	√			Presentation given to all service managements teams. Each Directorate annual audit plan presented to DMT's for discussion and agreement including the identification of key contacts and any timing issues.
5.3	**Relationships with other internal auditors**	**Y**	**P**	**N**	
5.3.1	Do arrangements exist with other internal auditors that include joint working, access to working papers, respective roles and confidentiality?		√		Internal Audit also provides IA services for Police and Fire Authorities. Area for development in connection with partnerships as referred to above.
5.4	**Relationships with external auditors**	**Y**	**P**	**N**	
5.4.1	Is it possible for IA and external audit to rely on each others work?	√			Wherever possible the work of both audit functions will complement and supplement each other.
5.4.2	Are there regular meetings between the H of IA and External Audit Manager?		√		Not regular scheduled meetings but open invitation for external audit to attend fortnightly managers meetings

5	Relationships				
5.4	**Relationships with external auditors (contd.)**	**Y**	**P**	**N**	
5.4.3	Are internal and external audit plans co-ordinated?		√		Plans are coordinated where possible, however there is a timing difference due to the nature of the work of both functions i.e. EA looking at the previous year, IA looking at the current.
5.5	**Relationships with other regulators and inspectors**	**Y**	**P**	**N**	
5.5.1	Has the H of IA sought to establish a dialog with the regulatory and inspection agencies that interact with the organisation?			√	This is an area for development and is being considered as part of the development of an assurance mapping framework.
5.6	**Relationships with Elected Members**	**Y**	**P**	**N**	
5.6.1	Do the terms of reference for IA define channels of communication with Members and describe how such relationships should operate?	√			Internal Audit Charter
5.6.2	Does the H of IA maintain good working relationships with Members?	√			Regular reports to Audit Committee and involvement on Members Forum e.g. presentation on "Combating Fraud through awareness"

6	Staffing, Training and Continual Professional Development				
6.1	**Staffing Internal Audit**	**Y**	**P**	**N**	
6.1.1	Is IA appropriately staffed (numbers, grades, qualifications, personal attributes and experience) to achieve its objectives and comply with these standards?	√			Training has been provided by the IIA to embed effective risk based auditing and ensure audit strategy as set out in charter is applied. Further training needs will be monitored through PDP's
6.1.2	Does the H of IA have access to appropriate resources where the necessary skills and expertise are not available within the audit team?		√		So far as budget allows.
6.1.3	Is the H of IA professionally qualified and experienced?	√			CIPFA qualified and IIA affiliated member.
6.1.4	Does the H of IA have wide experience of IA and management?	√			25 years audit experience, 15 at a senior level

6.1.5	a)	Do all IA staff have up to date job descriptions?	√			Reviewed for LGR and subsequent restructure.
	b)	Are there person specifications that define the required qualifications, competencies, skills, experience and personal attributes for IA staff?	√			
6.2	**Training and Continual Professional Development**		**Y**	**P**	**N**	
6.2.1	a)	Has the H of IA defined the skills and competencies for each level of auditor?	√			Job descriptions/Personal Specifications
	b)	Are individual auditors periodically assessed against these predetermined skills and competencies?		√		Quality assurance processes provide on-going assessment. More formal assessment of competencies being considered using CIPFA's "Excellent Internal Auditor " framework
	c)	Are training and development needs identified and included in an appropriate ongoing development programme?	√			
	d)	Is the development programme recorded, regularly reviewed and monitored?	√			Part of Corporate Performance Appraisal Process
6.2.2	Do individual auditors maintain a record of their professional training and development activities?		√			Annual returns provided for HR

7	**Audit Strategy and Planning**					
7.1	**Audit Strategy**		**Y**	**P**	**N**	
7.1.1	a)	Is there an IA strategy for delivering the service?	√			Part of Internal Audit Charter
	b)	Is it kept up to date with the organisation and its changing priorities?	√			Reviewed annually
7.1.2	Does the strategy include:					.
	a)	IA objectives and outcomes?	√			
	b)	How the H of IA will form and evidence his/her opinion on the control environment?	√			
	c)	How IA's work will identify and address local and national issues and risks?	√			
	d)	How the service will be provided, i.e. internally, externally, or	√			

		√			
	a mix of both?	√			
	e) The resources and skills required to deliver the strategy?				
7.1.3	Has the strategy been approved by the Audit Committee?	√			October 2010
7.2	**Audit Planning**	**Y**	**P**	**N**	
7.2.1	Is there a risk based plan that is informed by the organisation's risk management, performance management and other assurance processes?		√		Plans informed by strategic risk registers but lack of information of operational risks and other assurance sources limit how effectively this can be done, so audit need assessment to carried out in consultation with service managers through CRSA process
7.2.2	Where the risk management process is not fully developed or reliable, does the H of IA undertake his/her own risk assessment process?	√			No formal scoring mechanism applied – strategic plans aim to provide systematic overage of key service activities with priorities being determined in consultation with service managers and understanding of risk. Scope of individual assignments will be develop using risk based approach informed by Control Risk Self Assessment (CRSA)RSA to be developed with service managers'
7.2.3	Are stakeholders consulted on the audit plan?	√			
7.2.4	Does the plan demonstrate a clear understanding of the organisations functions?	√			Strategic audit plans currently being developed following assurance mapping exercise will ensure clear link of all audit assignments to service activities and council objectives.

7	**Audit Strategy and Planning**				
7.2	**Audit Planning (contd.)**	**Y**	**P**	**N**	
7.2.5	Does the plan:				.
	a) Cover a fixed period of no more than one year?	√			
	b) Outline the assignments to be carried out?	√			
	c) Prioritise assignments?		√		No risk scores but priorities to be determined by timing
	d) Estimate the resources required?	√			
	e) Differentiate between assurance and other work?	√			
	f) Allow a degree of flexibility?	√			

		Y	P	N	
7.2.6	Is there an imbalance between the resources available and resources needed to cover the plan, is the audit committee informed of the proposed solutions?				N/A. Balanced plan determined by risk. Any resource issues would be reported to Audit Committee.
7.2.7	Has the plan been approved by the audit committee?	√			Interim plan April – June approved at March meeting. Strategic plan and annual plan to be reported to Committee in June
7.2.8	If significant matters arise that jeopardise the delivery of the plan, are these addressed and reported to the audit committee?	√			Through regular progress reporting

8	**Undertaking Audit Work**				
8.1	**Planning**	**Y**	**P**	**N**	
8.1.1	a) Is a brief prepared for each audit?	√			TOR prepared and agreed for each review
	b) Is the brief discussed and agreed with the relevant managers?	√			
8.1.2	Does the brief set out:				TOR being reviewed to ensure identified and agreed risks on which assurance is to be provided is clearly defined and liked to CRSA.
	a) Objectives?	√			
	b) Scope?	√			
	c) Timing?	√			
	d) Resources?	√			
	e) Reporting requirements?	√			
8.2	**Approach**	**Y**	**P**	**N**	
8.2.1	Is a risk-based audit approach used?		√		Not fully embedded. Revised processes to be implemented following training and move to CRSA
8.2.2	Does the audit approach show when management should be informed of interim findings where key (serious) issues have arisen?	√			Covered in Internal Audit Charter, opening interview and TOR
8.2.3	Does the audit approach include a quality review process for each audit?	√			All working papers and reports reviewed by Audit Managers

8.3	Recording Audit Assignments	Y	P	N	
8.3.1	Has the H of IA defined a standard for audit documentation and working papers?	√			Templates used
8.3.2	Do quality reviews ensure that the defined standard is followed consistently for all audit work?	√			
8.3.3	Are working papers such that an experienced auditor can easily:				.
	a) Identify the work that has been performed?	√			
	b) Re-perform it if necessary?	√			
	c) See how the work supports the conclusions reached?	√			

8	Undertaking Audit Work				
8.3	Recording Audit Assignments (contd.)	Y	P	N	
8.3.4	Is there a defined policy for the retention of all audit documentation, both paper and electronic?	√			Informal at present. 3 years plus the current. Will be formalised as part of the corporate records management arrangements
8.3.5	Do all retention and access policies conform to appropriate legislation, i.e. Data Protection Act, Freedom of Information Act, etc and any organisational requirements?		√		Review required against organizational requirements following implementation of record management policy.
8.3.6	Is there an access policy for audit files and records?	√			The external auditor has access to audit files and records. F & I work access is restricted to staff engaged on reviews.

9	**Due Professional Care**				
9.1	**Responsibilities of the Individual Auditor**	**Y**	**P**	**N**	
9.1.1	Are there documents that set out the requirements on all audit staff in terms of:				
	a) Being fair and not allowing prejudice or bias to override objectivity?		√		Internal Audit Charter
	b) Declaring interests that could be perceived to be conflicting or could potentially lead to conflict?	√			Internal Audit Charter/Employee Code of Conduct
	c) Receiving and giving gifts and hospitality from employees, clients, suppliers or third parties?	√			Employee Code of Conduct
	d) Using all reasonable care in obtaining sufficient, relevant and reliable evidence on which to base conclusions?		√		
	e) Being alert to the possibility of intentional wrongdoing, errors or omissions, poor value for money, failure to comply with management policy or conflict of interest?	√			Internal Audit Charter, Counter Fraud Strategy
	f) Having sufficient knowledge to identify indicators that fraud or corruption may have been committed?	√ √			Risk Matrices
	g) Disclosing all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice?		√		
	h) Disclosing any non-compliance with these standards?		√		
	i) Not using information they gain in the course of their duties for personal use?	√			Employee Code of Conduct
					Areas where partial response will be addressed through the development of a detailed IA Manual
9.2	**Responsibilities of the Head of Internal Audit**	**Y**	**P**	**N**	
9.2.1	Has the H of IA established a monitoring and review programme to ensure that due professional care is achieved and maintained?	√			Qualify assurance arrangements and customer surveys
9.2.2	Are there systems in place for individual auditors to disclose any suspicions of fraud, corruption or improper conduct?	√			Day to day management arrangements. Confidential Reporting Code/Whistle blowing policy

10	Reporting				
10.1	Principles of Reporting	Y	P	N	
10.1.1	Is an opinion on the control environment and risk exposure given in each audit?	√			. Internal Audit Charter
10.1.2	Has the H of IA determined the way in which IA will report?	√			Subject to review
10.1.3	Has the H of IA set out the standards for audit reporting?	√			Subject to review
10.1.4	Are there laid down timescales for reports to be issued?	√			
10.2	Reporting on Audit Work	Y	P	N	
	Do the reporting standards include:				
10.2.1	a) Format of the reports?	√			.
10.2.2	b) Quality assurance of reports?	√			
10.2.3	c) The need to state the scope and purpose of the audit?	√			
	d) The requirement to give an opinion?	√			
10.2.4	e) Process for agreeing reports with the recipient?	√			
10.2.5	f) An action plan or record of points arising from the audit and, where appropriate, of agreements reached with management together with appropriate timescales?	√			
10.2.6					
10.2.7	Does the audit reporting process include discussion and agreement of reports?	√			.
10.2.8	Has the H of IA determined a process for prioritising recommendations according to risk?	√			
10.2.9	Are areas of disagreement recorded appropriately?	√			
10.2.10	Are those weaknesses giving rise to significant risks that are not agreed drawn to the attention of senior management?	√			

10	Reporting				
10.2	**Reporting on Audit Work (contd.)**	**Y**	**P**	**N**	
10.2.11	Is the circulation of each report determined when preparing the audit brief?	√			
10.2.12	a) Does the reporting process include details of circulation of that particular audit report?	√			
	b) Is this included in the brief for each individual audit?	√			
10.2.13	Does the H of IA have mechanisms in place to ensure that:				
	a) Recommendations that have a wider impact are reported to the appropriate forums?	√			All final reports and their circulation is reviewed by the H of IA
	b) Risk registers are updated?	√			Copy of all reports to relevant risk officer
10.3	**Follow-up Audits and Reporting**	**Y**	**P**	**N**	
10.3.1	Has the H of IA defined the need for and the form of any follow-up action?	√			Internal Audit Charter and quarterly report templates to Directors.
10.3.2	Has the H of IA established appropriate escalation procedures for IA recommendations not implemented by the agreed date?	√			As above
10.3.3	Where appropriate, is a revised opinion given following a follow-up audit and reported to management?	√			
10.3.4	Are the findings of audits and follow-ups used to inform the planning of future audit work?	√			CRSA will provide a mechanism recording and assessing operational risks that will inform future audit need risk assessments and plans

10	Reporting				
10.4	**Annual Reporting and Presentation of Audit Opinion**	**Y**	**P**	**N**	
10.4.1	Does the H of IA provide an annual report to support the Annual Governance Statement	√			
10.4.2	Does the H of IA's annual report:				

		Y	P	N	
	a) Include an opinion on the overall adequacy and effectiveness of the organisation's control environment?	√			
	b) Disclose any qualifications to that opinion, together with the reasons for the Qualification?	√			
	c) Present as summary of the audit work from which the opinion was derived, including reliance placed on work by other assurance bodies?	√			
	d) Draw attention to any issues the H of IA judges particularly relevant to the preparation of the Annual Governance Statement?	√			
	e) Compare the actual work undertaken with the planned work and summarise the performance of the internal audit function against its performance measures and targets?	√			
	f) Comment on compliance with the standards of the Code?		√		Reference made to Internal Audit Charter which refers to Code of Practice. Covered in this effectiveness review
	g) Communicate the results of the internal audit quality assurance programme?		√		Reference made to follow-up arrangements
10.4.3	Has the H of IA made provision for interim reporting to the organisation during the year?	√			Quality progress reports to Corporate Directors and Audit Committee.

11	Performance, Quality and Effectiveness				
11.1	Principles of Performance, Quality and Effectiveness	Y	P	N	
11.1.1	Is there an audit manual?		√		Processes and procedures in relation to the audit management database Galileo. Full Audit Manual under development
11.1.2	Does the manual provide guidance on:				.
	a) Carrying out day to day audit work?		√		As above
	b) Complying with the Code?		√		
11.1.3	Is the audit manual reviewed regularly and updated to reflect changes in working practices and standards?		√		As above
11.1.4	Does the H of IA have arrangements in place to access the performance and effectiveness of:	√			Review process, customer surveys on completion of each

		Y	P	N	
	a) Each individual audit?				review
	b) The internal audit service as a whole?	√			
					PI' s agreed and monitored
11.2	**Quality Assurance of Audit Work**	**Y**	**P**	**N**	
11.2.1	Does the H of IA have processes in place to ensure that work is allocated to auditors who have the appropriate skills, experience and competence?	√			Review process, PDP's, quality test checks, Regular Management Team meetings
11.2.2	Does the H of IA have a process in place to ensure that all staff are supervised appropriately throughout all audits?	√			Management structure and review processes
11.2.3	Does the supervisory process cover:				
	a) Monitoring process?	√			
	b) Assessing quality of audit work?	√			
	c) Coaching staff?	√			

11	**Performance, Quality and Effectiveness**				
11.3	**Performance and Effectiveness of the Internal Audit Service**	**Y**	**P**	**N**	
11.3.1	Does the H of IA have a performance management and quality assurance programme in place?	√			Bi weekly managers meetings, monthly 1-2-1's with Audit Managers, monthly team meetings, divisional forum, service improvement plan, training plan, review of all final audit reports
11.3.2	Does the performance management and quality assurance framework include as a minimum:				
	a) A comprehensive set of targets to measure performance:				
	• Which are developed in consultation with appropriate parties?		√		Developed in consultation with staff and approved by Audit Committee but further consultation necessary with service managers. SLA's with Police and Fire Authorities under review
	• Which are included in service level agreements, where appropriate?		√		
	• Against which the H of IA measures, monitors and reports appropriately on progress?	√			
	b) User feedback obtained for each individual audit and	√			

		Y	P	N	
	periodically the whole service?				
	c) A periodic review of the whole service against the strategy and the achievement of its aims and objectives, the results of which are used to inform the future strategy?	√			Annual review of Internal Audit Charter and periodic reviews of audit need risk assessment process
	d) Internal quality reviews to be undertaken periodically to ensure compliance with this Code and the audit manual?		√		Where documented procedures are in existence
	e) An action plan to implement improvements?	√			Operational improvement plan/SIP
11.3.3	Does the H of IA compare the performance and the effectiveness of the service over time, in terms of both the achievement of targets and the quality of the service provided to the user?		√		20091/0 first year of new service. CIPFA benchmarking data now available.

11	Performance, Quality and Effectiveness				
11.3	Performance and Effectiveness of the Internal Audit Service (contd.)	Y	P	N	
11.3.4	Do the results of the performance management and quality assurance programme evidence that the internal audit service is:				Further work is required to embed effective risk based auditing and ensure audit strategy set out in approved internal audit charter is delivered.
	a) Meeting its aims and objectives?		√		
	b) Compliant with the Code?		√		
	c) Meeting IA quality standards?		√		
	d) Effective, efficient, continuously improving?				
	e) Adding value and assisting the organisation in achieving its objectives?		√		
11.3.5	Does the H of IA report on the results of the performance management and quality assurance programme in the annual report?	√			.
11.3.6	Does the H of IA provide evidence from his/her review of the performance and quality of the internal audit service to the organisation for consideration as part of the annual review of the effectiveness of the system of internal audit?	√			