

## APPENDIX A

### Checklist for assessing conformance with the Public Sector Internal Audit Standards and the local government application note

Assessment completed by John Bailey, Head of Internal Audit, Nottinghamshire County Council

February 2014

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
<b>1</b>	<b>Definition of Internal Auditing</b>				
	Using evidence gained from assessing conformance with other Standards, is the internal audit activity:				
	a) Independent?	X			
	b) Objective?	X			
	Using evidence gained from assessing conformance with other Standards, does the internal audit activity use a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation?	X			
<b>2</b>	<b>Code of Ethics</b>				
	<b>Integrity</b> Using evidence gained from assessing conformance with other Standards, do internal auditors:				
	a) Perform their work with honesty, diligence and responsibility?	X			
	b) Observe the law and make disclosures expected by the law and the profession?	X			
	c) Not knowingly partake in any illegal activity nor engage in acts that are discreditable to the profession of internal auditing or to the organisation?	X			
	d) Respect and contribute to the legitimate and ethical objectives of the organisation?	X			
	<b>Objectivity</b> Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by not:				
	a) Taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment?	X			
	b) Accepting anything that may impair or be				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	presumed to impair their professional judgement?	X			
	c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?	X			
	<b>Confidentiality</b> Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:				
	a) Acting prudently when using information acquired in the course of their duties and protecting that information?	X			
	b) 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?	X			
	<b>Competency</b> Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:				
	a) Only carrying out services for which they have the necessary knowledge, skills and experience?	X			
	b) Performing services in accordance with the PSIAS?	X			
	c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?	X			
	Do internal auditors have regard to the on Standards of Public Life's <i>Seven Principles of Public Life</i> ?	X			
	<b>Standards</b>				
<b>3</b>	<b>Attribute Standards</b>				
<b>3.1</b>	<b>1000 Purpose, Authority and Responsibility</b>				
	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				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	Public Sector Internal Audit Standards (PSIAS)?	X			
<b>LGAN</b>	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.	X			
	Does the internal audit charter also:				
	a) Set out the internal audit activity's position within the organisation?	X			
	b) Establish the CAE's functional reporting relationship with the board?	X			
<b>LGAN</b>	c) Establish the accountability, reporting line and relationship between the CAE and those to whom the CAE may report administratively?	X			
<b>LGAN</b>	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?	X			
	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?	X			
<b>LGAN</b>	f) Define the scope of internal audit activities?	X			
<b>LGAN</b>	g) Recognise that internal audit's remit extends to the entire control environment of the organisation?	X			
<b>LGAN</b>	h) Identify internal audit's contribution to the review of effectiveness of the control environment, as set out in the Accounts and Audit (England) Regulations 2011?	X			
<b>LGAN</b>	i) Establish the organisational independence of internal audit?	X			
	j) Cover the arrangements for appropriate resourcing?	X			
	k) Define the role of internal audit in any fraud-related work?	X			
	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?	X			

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	m) Include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities?	X			
	n) Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?	X			
	o) Define the nature of consulting services?	X			
	p) Recognise the mandatory nature of the PSIAS?	X			
	Does the chief audit executive (CAE) periodically review the internal audit charter and present it to senior management and the board for approval?	X			
	Does the CAE attend audit committee meetings?	X			
	Does the CAE contribute to audit committee agendas?	X			
<b>3.2</b>	<b>1100 Independence and Objectivity</b>				
	Does the CAE have direct and unrestricted access to senior management and the board?		X		
	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?		X		
	Are threats to objectivity identified and managed at the following levels:				
	a) Individual auditor?	X			
	b) Engagement?	X			
	c) Functional?	X			
	d) Organisation?	X			
	<b>1110 Organisational Independence</b>				
	Does the CAE report to an organisational level equal or higher to the corporate management team?			X	Explain
<b>LGAN</b>	Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?	X			
<b>LGAN</b>	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.		X		Not formally agreed but effective in practice
<b>LGAN</b>	Does the CAE's position in the management structure:				
	a) Reflect the influence he or she has on the control				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	environment?	X			
	b) Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board?	X			
	c) Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management?	X			
	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:	X			
	The board:				
	a) approves the internal audit charter	X			
	b) approves the risk-based audit plan	X			
	c) approves the internal audit budget and resource plan			X	
	d) receives communications from the CAE on the activity's performance (in relation to the plan, for example)	X			
	e) approves decisions relating to the appointment and removal of the CAE			X	
	f) seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.	X			
	Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?		X		
	Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?			X	
	<b>1111 Direct Interaction with the Board</b>				
	Does the CAE communicate and interact directly with the board?	X			
	<b>1120 Individual Objectivity</b>				
	Do internal auditors have an impartial, unbiased attitude?	X			
	Do internal auditors avoid any conflict of interest, whether apparent or actual?	X			
	<b>1130 Impairment to Independence or</b>				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	<b>Objectivity</b>				
	If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties (depending on the nature of the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)?	X			
	Have internal auditors assessed specific operations for which they have been responsible within the previous year?			X	
	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?				Not applicable
<b>LGAN</b>	Are assignments for ongoing assurance engagements and other audit responsibilities rotated periodically within the internal audit team?	X			
<b>LGAN</b>	Have internal auditors declared interests in accordance with organisational requirements?	X			
<b>LGAN</b>	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?	X			
<b>LGAN</b>	Have any instances been discovered where an internal auditor has used information obtained during the course of duties for personal gain?			X	
<b>LGAN</b>	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?	X			
<b>LGAN</b>	Have internal auditors complied with the Bribery Act 2010?	X			
	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?	X			
	Where there have been significant additional				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	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?	X			
<b>3.3</b>	<b>1200 Proficiency and Due Professional Care</b>				
	<b>1210 Proficiency</b>				
	Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	X			CIPFA
	Is the CAE suitably experienced?	X			20years
<b>LGAN</b>	Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	X			
<b>LGAN</b>	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?	X			
	Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	X			
	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?	X			
	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	X			
	Do internal auditors have sufficient knowledge of key information technology risks and controls?	X			
	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?	X			
	<b>1220 Due Professional Care</b>				
	Do internal auditors exercise due professional care by considering the:				
	a) Extent of work needed to achieve the engagement's objectives?	X			
	b) Relative complexity, materiality or significance of matters to which assurance procedures are applied?	X			

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	c) Adequacy and effectiveness of governance, risk management and control processes?	X			
	d) Probability of significant errors, fraud, or non-compliance?	X			
	e) Cost of assurance in relation to potential benefits?	X			
	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?	X			
	b) Relative complexity and extent of work needed to achieve the engagement's objectives?	X			
	c) Cost of the consulting engagement in relation to potential benefits?	X			
	<b>1230 Continuing Professional Development</b>				
LGAN	Has the CAE defined the skills and competencies for each level of auditor?	X			
LGAN	Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	X			
	Do internal auditors undertake a programme of continuing professional development?	X			
	Do internal auditors maintain a record of their professional development and training activities?	X			
3.4	<b>1300 Quality Assurance and Improvement Programme</b>				
	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?	X			
	Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?	X			
	Does the CAE maintain the QAIP?	X			
LGAN	If the organisation is a 'larger relevant body' in England, does it conduct a review of the effectiveness of its internal audit at least annually, in accordance with the Accounts and Audit (England) Regulations 2011 section 6(3)?	X			
	<b>1310 Requirements of the Quality Assurance</b>				



Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	<b>and Improvement Programme</b>				
	Does the QAIP include both internal and external assessments?			X	
	<b>1311 Internal Assessments</b>				
<b>LGAN</b>	Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	X			
	Do internal assessments include ongoing monitoring of the internal audit activity, such as:				
	a) Routine quality monitoring processes?	X			
	b) Periodic assessments for evaluating conformance with the PSIAS?	X			
<b>LGAN</b>	Does ongoing performance monitoring include comprehensive performance targets?	X			
<b>LGAN</b>	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	X			
<b>LGAN</b>	Does the CAE measure, monitor and report on progress against these targets?	X			
<b>LGAN</b>	Does ongoing performance monitoring include obtaining stakeholder feedback?	X			
	Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices? Sufficiency would require knowledge of the PSIAS and the wider guidance available such as the Local Government Application Note and/or IIA practice advisories, etc.	X			
<b>LGAN</b>	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	X			
	<b>1312 External Assessments</b>				
	Has an external assessment been carried out, or is planned to be carried out, at least once every five years?				Assessment not yet completed
<b>LGAN</b>	Has the CAE considered the pros and cons for the different types of external assessment (ie 'full' or self-assessment plus 'independent validation')?				
	Has the CAE discussed the proposed form of the				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	external assessment and the qualifications and independence of the assessor or assessment team with the board?				
<b>LGAN</b>	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?				
	Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?				
	<p>Has the assessor or assessment team demonstrated its competence in both areas of professional practice of internal auditing and the external assessment process?</p> <p>Competence can be determined in the following ways:</p> <p>a) experience gained in organisations of similar size</p> <p>b) complexity</p> <p>c) sector (ie the public sector)</p> <p>d) industry (ie 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>				
	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?				
	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.				
	<b>1320 Reporting on the Quality Assurance and Improvement Programme</b>				
	Has the CAE reported the results of the QAIP to				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	senior management and the board?			X	
	Note that:				
	a) the results of both external and periodic internal assessment must be communicated upon completion				
	b) the results of ongoing monitoring must be communicated at least annually				
	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.				
	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?				
	<b>1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'</b>				
	Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	X			
	<b>1322 Disclosure of Non-conformance</b>				
	Has the CAE reported any instances of non-conformance with the PSIAS to the board?	X			
	Has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	X			
<b>4</b>	<b>Performance Standards</b>				
<b>4.1</b>	<b>2000 Managing the Internal Audit Activity</b>				
	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?	X			
	Does the internal audit activity conform with the <i>Definition of Internal Auditing</i> and the <i>Standards</i> ?	X			
	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> ?	X			
	Does the internal audit activity add value to the organisation and its stakeholders by				
	a) Providing objective and relevant assurance?	X			
	b) Contributing to the effectiveness and efficiency of the governance, risk management and internal				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	control processes?	X			
	<b>2010 Planning</b>				
	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?	X			
	Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?	X			
	Does the risk-based plan take into account the organisation's assurance framework?	X			
	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?	X			Service Plan
	b) How the internal audit service will be developed in accordance with the internal audit charter?	X			Service Plan
	c) How the internal audit service links to organisational objectives and priorities?	X			Service Plan
	Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	X			
	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?	X			
	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?	X			
<b>LGAN</b>	Does the risk-based plan set out the:				
	a) Audit work to be carried out?	X			
	b) Respective priorities of those pieces of audit work?	X			
	c) Estimated resources needed for the work?	X			
<b>LGAN</b>	Does the risk-based plan differentiate between audit and other types of work?	X			
<b>LGAN</b>	Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	X			
	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,				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	risks, operations, programmes, systems and controls?	X			
	Is the internal audit activity's plan of engagements based on a documented risk assessment?	X			
	Is the risk assessment used to develop the plan of engagements undertaken at least annually?	X			
<b>LGAN</b>	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)?	X			
	b) The requirement to use specialists, eg IT or contract and procurement auditors?	X			
	c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary?	X			
	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?	X			
	Is the input of senior management and the board considered in the risk assessment process?	X			
	Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	X			
	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?	X			
	Are consulting engagements that have been accepted included in the risk-based plan?	X			
	<b>2020 Communication and Approval</b>				
	Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	X			
	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?	X			
	Has the CAE communicated the impact of any				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	resource limitations to senior management and the board?	X			
	<b>2030 Resource Management</b>				
	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	X			
<b>LGAN</b>	Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise abortive work and time?	X			
<b>LGAN</b>	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.	X			
	<b>2040 Policies and Procedures</b>				
	Has the CAE developed and put into place policies and procedures to guide the internal audit activity?	X			
<b>LGAN</b>	Has the CAE established policies and procedures to guide staff in performing their duties in a manner than conforms to the PSIAS? Examples include maintaining an audit manual and/or using electronic management systems.	X			
<b>LGAN</b>	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	X			
	<b>2050 Coordination</b>				
	Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?		X		
<b>LGAN</b>	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?		X		
	Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?	X			
<b>LGAN</b>	Does the CAE meet regularly with the nominated external audit representative to consult on and				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	coordinate their respective audit plans?	X			
	<b>2060 Reporting to Senior Management and the Board</b>				
	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?	X			
	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?	X			
	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?	X			
	<b>2070 External Service Provider and Organisational Responsibility for Internal Auditing</b>				
	Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation?				Not applicable
<b>4.2</b>	<b>2100 Nature of Work</b>				
	Does the internal audit activity evaluate and contribute to the improvement of the organisation's governance, risk management and internal control processes?	X			
	Does the internal audit activity evaluate and contribute to the improvement of the above using a systematic and disciplined approach and is this evidenced?	X			
	<b>2110 Governance</b>				
	Does the internal audit activity:				
	a) Promote appropriate ethics and values within the organisation?	X			
	b) Ensure effective organisational performance management and accountability?	X			
	c) Communicate risk and control information to				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	appropriate areas of the organisation?	X			
	d) Coordinate the activities of and communicate information among the board, external and internal auditors and management?	X			
	Does the internal audit activity assess and make appropriate recommendations for improving the governance process as part of accomplishing the above objectives?	X			
	Has the internal audit activity evaluated the:				
	a) design	X			
	b) implementation, and	X			
	c) effectiveness				
	of the organisation's ethics-related objectives, programmes and activities?	X			
	Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	X			
<b>LGAN</b>	Has the CAE considered the proportionality of the amount of work required to assess the ethics and information technology governance of the organisation when developing the risk-based plan?	X			
	<b>2120 Risk Management</b>				
	Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that:				
	a) Organisational objectives support and align with the organisation's mission?	X			
	b) Significant risks are identified and assessed?	X			
	c) Appropriate risk responses are selected that align risks with the organisation's risk appetite?	X			
	d) Relevant risk information is captured and communicated in a timely manner across the organisation, thus enabling the staff, management and the board to carry out their responsibilities?	X			
	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	X			



Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	objectives?				
	b) Reliability and integrity of financial and operational information?	X			
	c) Effectiveness and efficiency of operations and programmes?	X			
	d) Safeguarding of assets?	X			
	e) Compliance with laws, regulations, policies, procedures and contracts?	X			
	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	X			
	Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	X			
	Are internal auditors alert to other significant risks when undertaking consulting engagements?	X			
	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?	X			
	<b>2130 Control</b>				
	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?	X			
	b) Reliability and integrity of financial and operational information?	X			
	c) Effectiveness and efficiency of operations and programmes?	X			
	d) Safeguarding of assets?	X			
	e) Compliance with laws, regulations, policies, procedures and contracts?	X			
	Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	X			
<b>4.3</b>	<b>2200 Engagement Planning</b>				
	Do internal auditors develop and document a plan				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	for each engagement?	X			
	Does the engagement plan include the engagement's:				
	a) Objectives?	X			
	b) Scope?	X			
	c) Timing?	X			
	d) Resource allocations?	X			
	Do internal auditors consider the following in planning an engagement, and is this documented:				
	a) The objectives of the activity being reviewed?	X			
	b) The means by which the activity controls its performance?	X			
	c) The significant risks to the activity being audited?	X			
	d) The activity's resources?	X			
	e) The activity's operations?	X			
	f) The means by which the potential impact of risk is kept to an acceptable level?	X			
	g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?	X			
	h) The opportunities for making significant improvements to the activity's governance, risk management and control processes?	X			
	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:				Not applicable
	a) Objectives?				
	b) Scope?				
	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)?				
	For consulting engagements, have internal auditors established an understanding with the engagement clients about the following:				
	a) Objectives?	X			
	b) Scope?	X			

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	c) The respective responsibilities of the internal auditors and the client and other client expectations?	X			
	For significant consulting engagements, has this understanding been documented?	X			
	<b>2210 Engagement Objectives</b>				
	Have objectives been agreed for each engagement?	X			
	Have internal auditors carried out a preliminary risk assessment of the activity under review?	X			
	Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	X			
	Have internal auditors considered the probability of the following, when developing the engagement objectives:				
	a) Significant errors?	X			
	b) Fraud?	X			
	c) Non-compliance?	X			
	d) Any other risks?	X			
	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?	X			
	If the criteria have been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?	X			
	If the criteria have been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	X			
<b>LGAN</b>	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?	X			
	Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	X			
	Are the objectives set for consulting engagements consistent with the organisation's own values,	X			

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	strategies and objectives?				
	<b>2220 Engagement Scope</b>				
	Is the scope that is established for the engagement sufficient to satisfy the engagement's objectives?	X			
	Does the engagement scope include consideration of the following relevant areas of the organisation:				
	a) Systems?	X			
	b) Records?	X			
	c) Personnel?	X			
	d) Premises?	X			
	Does the engagement scope include consideration of the following relevant areas under the control of outside parties, where appropriate:				
	a) Systems?	X			
	b) Records?	X			
	c) Personnel?	X			
	d) Premises?	X			
	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?	X			
	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?	X			
	For a consulting engagement, was the scope of the engagement sufficient to address any agreed-upon objectives?	X			
	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?	X			
	During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	X			
	During consulting engagements, were internal				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	auditors alert to any significant control issues?	X			
	<b>2230 Engagement Resource Allocation</b>				
	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?	X			
	b) Any time constraints?	X			
	c) The resources available?	X			
	<b>2240 Engagement Work Programme</b>				
	Have internal auditors developed and documented work programmes that achieve the engagement objectives?	X			
	Do the engagement work programmes include the following procedures for:				
	a) Identifying information?	X			
	b) Analysing information?	X			
	c) Evaluating information?	X			
	d) Documenting information?	X			
	Were work programmes approved prior to implementation for each engagement?	X			
	Were any adjustments required to work programmes approved promptly?	X			
<b>4.4</b>	<b>2300 Performing the Engagement</b>				
	Have internal auditors carried out the following in order to achieve each engagement's objectives:				
	a) Identify sufficient information?	X			
	b) Analyse sufficient information?	X			
	c) Evaluate sufficient information?	X			
	d) Document sufficient information?	X			
	<b>2310 Identifying Information</b>				
	Have internal auditors identified the following in order to achieve each engagement's objectives:				
	a) Sufficient information?	X			
	b) Reliable information?	X			
	c) Relevant information?	X			
	d) Useful information?	X			
	<b>2320 Analysis and Evaluation</b>				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	Have internal auditors based their conclusions and engagement results on appropriate analyses and evaluations?	X			
<b>LGAN</b>	Have internal auditors remained alert to the possibility of the following:				
	a) intentional wrongdoing	X			
	b) errors and omissions	X			
	c) poor value for money	X			
	d) failure to comply with management policy, and	X			
	e) conflicts of interest	X			
	when performing their individual audits, and has this been documented?	X			
	<b>2330 Documenting Information</b>				
	Have internal auditors documented the relevant information required to support engagement conclusions and results?	X			
<b>LGAN</b>	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?	X			
	Does the CAE control access to engagement records?	X			
	Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?	X			
	Has the CAE developed and implemented retention requirements for all types of engagement records?	X			
	Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	X			
	<b>2340 Engagement Supervision</b>				
	Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	X			
	Is appropriate evidence of supervision documented and retained for each engagement?	X			
<b>4.5</b>	<b>2400 Communicating Results</b>				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	Do internal auditors communicate the results of engagements?	X			
	<b>2410 Criteria for Communicating</b>				
	Do the communications of engagement results include the following:				
	a) The engagement's objectives?	X			
	b) The scope of the engagement?	X			
	c) Applicable conclusions?	X			
	d) Recommendations and action plans, if appropriate?	X			
<b>LGAN</b>	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?	X			
<b>LGAN</b>	If recommendations and an action plan have been included, are recommendations prioritised according to risk?	X			
<b>LGAN</b>	If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?	X			
<b>LGAN</b>	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?	X			
<b>LGAN</b>	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?	X			
<b>LGAN</b>	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?	X			
	When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	X			
	When an opinion or conclusion is issued, is it supported by sufficient, reliable, relevant and useful				

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	information?	X			
	Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	X			
	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?			X	
<b>LGAN</b>	If the CAE has been required to provide assurance to other partnership organisations, has he or she also demonstrated that their fundamental responsibility is to the management of the organisation to which they are obliged to provide internal audit services?	X			
	<b>2420 Quality of Communications</b>				
	Are communications:				
	a) Accurate?	X			
	b) Objective?	X			
	c) Clear?	X			
	d) Concise?	X			
	e) Constructive?	X			
	f) Complete?	X			
	g) Timely?	X			
	<b>2421 Errors and Omissions</b>				
	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?	X			
	<b>2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'</b>				
	Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?				Not applicable
	<b>2431 Engagement Disclosure of Nonconformance</b>				
	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 Code of				



Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	<i>Ethics or Standard(s)</i> with which full conformance was not achieved?	X			
	b) The reason(s) for non-conformance?	X			
	c) The impact of non-conformance on the engagement and the engagement results?	X			
	<b>2440 Disseminating Results</b>				
	Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	X			
	Has the CAE communicated engagement results to all appropriate parties?	X			
	Before releasing engagement results to parties outside the organisation, did the CAE:				
	a) Assess the potential risk to the organisation?	X			
	b) Consult with senior management and/or legal counsel as appropriate?	X			
	c) Control dissemination by restricting the use of the results?	X			
	Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	X			
	<b>2450 Overall Opinion</b>				
	Has the CAE delivered an annual internal audit opinion?	X			
	Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?	X			
	Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	X			
	Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information?	X			
	Does the communication identify the following:				
	a) The scope of the opinion, including the time period to which the opinion relates?	X			
	b) Any scope limitations?	X			
	c) The consideration of all related projects including the reliance on other assurance providers?	X			

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
	d) The risk or control framework or other criteria used as a basis for the overall opinion?	X			
	Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	X			
	Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?	X			
	Does the annual report incorporate the following:				
	a) The annual internal audit opinion?	X			
<b>LGAN</b>	b) A summary of the work that supports the opinion?	X			
<b>LGAN</b>	c) A disclosure of any qualifications to the opinion?	X			
<b>LGAN</b>	d) The reasons for any qualifications to the opinion?	X			
<b>LGAN</b>	e) A disclosure of any impairments or restriction in scope?	X			
<b>LGAN</b>	f) A comparison or work actually carried out with the work planned?	X			
	g) A statement on conformance with the PSIAS?	X			
<b>LGAN</b>	h) The results of the QAIP?	X			
<b>LGAN</b>	i) Progress against any improvement plans resulting from the QAIP?			X	First year of QAIP
<b>LGAN</b>	j) A summary of the performance of the internal audit activity against its performance measures and targets?	X			
	k) Any other issues that the CAE judges is relevant to the preparation of the governance statement?	X			
<b>4.6</b>	<b>2500 Monitoring Progress</b>				
	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?	X			
	Where issues have during the follow-up process, has the CAE considered revising the internal audit opinion?	X			
	Do the results of monitoring management actions inform the risk-based planning of future audit work?	X			
	Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	X			

Ref	Conformance with the Standard	Yes	Partly	No	Evidence
<b>4.7</b>	<b>2600 Communicating the Acceptance of Risks</b>				
	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?	X			
	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?	X			