



Newport City Council  
Internal Audit Report

**Public Sector Internal Audit Standards (PSIAS)**

**External Assessment of  
Cardiff City Council's Internal Audit Service**

**Welsh Chief Internal Auditor Group**

**WCIAG**

Date of Assessment Fieldwork	November 2022 to February 2023
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## **1. Introduction**

- 1.1 The Public Sector Internal Audit Standard (PSIAS) became effective from 1<sup>st</sup> April 2013 (updated 2017) and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation.
- 1.2 The two possible approaches to external assessments outlined in the standards included either a full external assessment or an internal self-assessment which is validated by an external reviewer.
- 1.3 Members of the Welsh Chief Internal Auditor Group (WCIAG) elected to adopt the self-assessment approach, with another member of the WCIAG undertaking the validation.

## **2. Purpose**

- 2.1 The purpose of the external assessment is to help improve delivery of the audit service to an organisation. The assessment is designed to be a supportive process that identifies opportunities for development which ultimately help to enhance the value of the audit function to the authority.

## **3. Results**

- 3.1 The assessment involved a validation of a self-assessment of conformance against the PSIAS undertaken by the Chief Internal Auditor and Audit Manager at Newport City Council.
- 3.2 The assessment comprised a desktop review of the self-assessment and supporting evidence and discussions were held with the Audit Manager (Cardiff City Council) to gain insight and views on the operation of the Internal Audit Team and adherence to the Standards.
- 3.3 In summary, there are 304 best practice lines within the PSIAS. A review of conformance against the PSIAS was undertaken during the period November 2022 and February 2023 by the Chief Internal Auditor and Audit Manager at Newport City Council, both qualified via CIPFA with extensive internal audit management experience within local government. The Internal Audit Service of Cardiff City Council is currently conforming to 304 of the requirements (includes those not applicable), with no partial conformance or non-conformance.

3.4 The table below summarises the outcome of the assessment.

Standard	Conformance			Total
	Yes	Partly	No	
1. Mission of Internal Audit	1			1
2. Definition of Audit Risk	2			2
3. Core Principles	10			10
4. Code of Ethics	13			13
5. Attribute Standards				
Purpose, Authority and Responsibility	20			20
Objectivity and Independence	29			29
Proficiency and Due Professional Care	21			21
Quality Assurance and Improvement Programme	24			24
6. Performance Standards				
Managing the Internal Audit Activity	37			37
Nature of Work	28			28
Engagement Planning	52			52
Performing the Engagement	15			15
Communicating Results	46			46
Monitoring Progress	4			4
Communicating the Acceptance of Risks	2			2
<b>Total</b>	<b>304</b>	<b>0</b>	<b>0</b>	<b>304</b>

3.5 This report contains three appendices as follows:

<b>Appendix A</b>	Action Plan to address non / partial conformance areas
<b>Appendix B</b>	Enhancing proposals for areas where conformance is already achieved
<b>Appendix C</b>	Completed checklist for assessing conformance with the PSIAS and Local Government Application Note (LGAN)

3.6 There were no areas of partial conformance or non-conformance. There was one area for consideration which would further enhance conformance with the PSIAS, although this is not a significant concern:

- 2410 Communicating Results (Criteria for Communicating) – consider including objectives and scope (or terms of reference) within all draft and final reports along with the risk of the control weakness identified either within the main body of the report or via an attachment or link.

#### **Impact of non-compliance and steps to be taken to ensure compliance**

3.6.1 Any non-conformance with the Standards and the impact must be disclosed to senior management and the Governance and Audit Committee.

3.6.2 In terms of the review that has been undertaken, the impact of the non-conformance is not relevant, such that the Internal Audit Service of Cardiff City Council generally conforms with the Standards in all significant areas and operates independently and objectively.

3.6.3 No Action Plan is required. The Audit Manager has agreed to consider the proposals suggested to further enhance conformance in areas already conforming and share this information with the Governance and Audit Committee.

**Action Plan to address non / partial conformance areas**

Standard	Action to address non / partial conformance	Who is responsible for implementing the action	Timescale
<i>No areas of non / partial conformance identified</i>			

**Further Action Plan – Enhancing proposals for areas where conformance is already achieved**

Ref Attribute / Performance Standard	Compliant, but enhancing recommendation proposed.	Who is responsible for implementing the action	Timescale
2410 (253 – 254)	Consider including objectives & scope (or terms of reference) in all draft & final reports along with the risk of the control weakness identified either within the body of the report or via an attachment or link.		

**CHECKLIST FOR ASSESSING CONFORMANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS  
AND THE LOCAL GOVERNMENT APPLICATION NOTE (LGAN)**

Glossary	
<b>GC</b>	<b>Generally Conforms with PSIAS</b> - The relevant structures, policies and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section / category. General conformance does not require complete / perfect conformance, the ideal situation, successful practice, etc.
<b>PC</b>	<b>Partially Conforms with PSIAS</b> - The activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and / or achieving their objectives.
<b>DNC</b>	<b>Does Not Conform with PSIAS</b> - The activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many / all of the objectives of the individual Standard or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board.
<b>N/A</b>	<b>Not Applicable</b> - The sections marked N/A do not apply to this assessment. Any n/a answers should be treated as generally conforming with the PSIAS.
<b>CAE</b>	<b>Chief Audit Executive (CAE)</b> - A generic title used to describe the person responsible for managing the internal audit activity. In Cardiff Council, it is the Audit Manager.

Y – external assessment confirms compliance

	SUMMARY OF RESULTS	GC	PC	DNC	N/A
1	Mission of Internal Audit 1	1	0	0	0
2	Definition of Internal Auditing 2-3	2	0	0	0
3	Core Principles for the Professional Practice of Internal Auditing 4-13	10	0	0	0
4	Code of Ethics 14-26	13	0	0	0
5	Attribute / Performance Standards	271	0	0	7
<b>Ref</b>	<b>Attribute / Performance Standards</b>				
1000	Purpose, Authority and Responsibility (The sum of <i>Standards</i> 1000-1010) 27-46	19	0	0	1
1100	Independence and Objectivity 47-54	8	0	0	0
1110	Organisational Independence 55-60	6	0	0	0
1111	Direct Interaction with the Board 61	1	0	0	0
1112	Chief Audit Executive Roles Beyond Internal Auditing 62-63	2	0	0	0
1120	Individual Objectivity 64-65	2	0	0	0
1130	Impairments to Independence or Objectivity 66-75	7	0	0	3
1200	Proficiency and Due Professional Care				
1210	Proficiency 76-84	9	0	0	0
1220	Due Professional Care 85-92	8	0	0	0
1230	Continuing Professional Development 93-96	4	0	0	0
1300	Quality Assurance and Improvement Programme 97-100	4	0	0	0
1310	Requirements of the Quality Assurance and Improvement Programme 101	1	0	0	0
1311	Internal Assessments 102-111	10	0	0	0
1312	External Assessments 112-115	4	0	0	0
1320	Reporting on the Quality Assurance and Improvement Programme 116-117	2	0	0	0
1321	Use of Conforms with the International Standards for the Professional Practice of Internal Auditing 118	1	0	0	0
1322	Disclosure of Non-conformance 119-120	0	0	0	2
2000	Managing the Internal Audit Activity				
2010	Planning 121-144	24	0	0	0
2020	Communication and Approval 145-147	3	0	0	0
2030	Resource Management 148-150	3	0	0	0
2040	Policies and Procedures 151-152	2	0	0	0



2050	Coordination 153	1	0	0	0
2060	Reporting to Senior Management and the Board 154-156	3	0	0	0

	<b>SUMMARY OF RESULTS</b>	<b>GC</b>	<b>PC</b>	<b>DNC</b>	<b>N/A</b>
2070	External service Provider and Organisational Responsibility for Internal Audit 157	0	0	0	1
2100	Nature of Work				
2110	Governance 158-165	8	0	0	0
2120	Risk Management 166-179	14	0	0	0
2130	Control 180-185	6	0	0	0
2200	Engagement Planning 186-205	20	0	0	0
2210	Engagement Objectives 206-218	13	0	0	0
2220	Engagement Scope 219-227	9	0	0	0
2230	Engagement Resource Allocation 228-230	3	0	0	0
2240	Engagement Work Programme 231-237	7	0	0	0
2300	Performing the Engagement				
2310	Identifying Information 238	1	0	0	0
2320	Analysis and Evaluation 239-244	6	0	0	0
2330	Documenting Information 245-250	6	0	0	0
2340	Engagement Supervision 251-252	2	0	0	0
2400	Communicating Results				
2410	Criteria for Communicating 253-265	13	0	0	0
2420	Quality of Communications 266	1	0	0	0
2421	Errors and Omissions 267	1	0	0	0
2430	Use of 'conducted in conformance with the International Standards for the Professional Practice of Internal Auditing'. 268	1	0	0	0
2431	Engagement Disclosure of Non-conformance 269-271	3	0	0	0
2440	Disseminating Results 272-277	6	0	0	0
2450	Overall Opinions 278-298	21	0	0	0
2500	Monitoring Progress 299-302	4	0	0	0
2600	Resolution of Senior Managements Acceptance of Risks 303-304	2	0	0	0
	<b>OVERALL CONCLUSION – CONFORMANCE WITH PSIAS</b>	<b>297</b>	<b>0</b>	<b>0</b>	<b>7</b>


Ref	Conformance with the Standard	GC	PC	DNC	Evidence
A	Mission of Internal Audit				
1	Based on your review of conformance with other requirements of the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), does the internal audit activity aspire to accomplish the Mission of Internal Audit as set out in the PSIAS? <i>To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.</i>	X Y			In place.  The Mission has been formally adopted by the Internal Audit Team and is included within the Charter. It provides a focus for the activities planned and delivered, and within the Internal Audit Annual Report through which delivery and conformance is outlined.  <a href="#">Link to Strategy, Charter, Annual Report and Audit Progress Reports</a>  <b>Note</b> – Throughout this assessment, representing the review of conformance looking back at the financial year 2021/22 (as at April 2022) the Board is referred to as the Governance and Audit Committee.
	Mission of Internal Audit				
B	Definition of Internal Auditing				
2	Based on your review of conformance with other requirements of the PSIAS and LGAN, is the internal audit activity independent and objective?	X Y			In place.  The Audit Manager is only responsible for managing the Internal Audit and Investigation Teams. Disclosures are made of all personal and business interests for all audit staff, through which conflicts are avoided in the allocation of work. All activities are performed with a quality assurance and improvement programme (QAIP) which is designed to mitigate any further risks to independence or objectivity in the delivery of audit engagements.
3	Based on your review of conformance with other requirements of the PSIAS and LGAN, 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 Y			In place.  The QAIP process outlines the quality assurance and performance management framework through which this is achieved, supported by an audit protocol (appended within the Audit Charter) to further support the operational process.
	Definition of Internal Audit Conclusion				
C	Core Principles for the Professional Practice of Internal Auditing				
4	Having regard to your review of conformance with the Code of Ethics (Integrity, Seven Principles of Public Life), do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating integrity?	X Y			In place.  All auditors are required to adhere to this as reinforced and are supported to ensure this is fully delivered through the QAIP process at the points of audit allocation, supervision and review.
5	Having regard to your review of conformance with the Code of Ethics (Competence, Confidentiality, Seven Principles of Public Life) and any other evidence from the review of conformance with Standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating competence and due professional care?	X Y			In place.  All auditors are required to adhere to this as reinforced and are supported to ensure this is fully delivered through the QAIP process at the points of audit allocation, supervision and review.
6	Having regard to your review of conformance with the Code of Ethics (Objectivity, Seven Principles of Public Life) and any other evidence from the review of conformance with standards, do you consider that the internal audit	X Y			In place.  All auditors are required to adhere to this as reinforced and are supported to ensure this is fully delivered through the QAIP process at the points of audit allocation,

	activity fully conforms with the PSIAS and LGAN by being objective and free from undue influence (independent)?				<p>supervision and review.</p> <p>The audit manager has unfettered access to the Chief Executive, and functional reporting to the Governance and Audit Committee in addition to the Head of Finance administratively, which would mitigate any potential independence risk.</p>
7-13	<p>Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by</p> <p>a) Being aligned with the strategies, objectives, and risks of the organisation by?</p> <p>b) Being appropriately positioned and adequately resourced?</p> <p>c) Demonstrating quality and continuous improvement?</p> <p>d) Communicating effectively?</p> <p>e) Providing risk-based assurance, based on adequate risk assessment?</p> <p>f) Being insightful, proactive, and future-focused?</p> <p>g) Promoting organisational improvement?</p>	X Y			<p>a) In place.</p> <p>There is a robust risk-based planning process supported by an assurance map and an embedded relationship management role with each director to ensure the audit plan is aligned to the Council's strategies, objectives and risks.</p> <p>b) In place.</p> <p>The Internal Audit Team has the resources necessary to deliver a comprehensive audit plan. In the event of significant staff absence, arrangements would be made to buy-in additional temporary resource as necessary. At the financial year end, there was a small restructure to increase the audit team size by 0.4 FTE (inclusive of reducing the auditor headcount by 0.6 FTE and increasing the senior auditor headcount by 1 FTE).</p> <p>c) In place.</p> <p>The QAIP process is designed around a commitment to continuous improvement underpinned by robust conformance with the PSIAS and the LGAN.</p> <p>d) In place.</p> <p>The client surveys provide ongoing assurance that the internal audit team has communicated effectively. In instances where the Governance and Audit Committee has requested further information in the reports it receives from the Audit Manager, this detail has been provided to the satisfaction of the Committee. A recent example was that a confidential meeting was held with an Elected Member, the Chair, Vice Chair and Audit Manager on the work of internal audit in respect of waste management assurance.</p> <p>e) In place.</p> <p>A documented risk assessment underpins the audit planning process using assurance mapping methodology and all audits are undertaken using a risk-based approach in accordance with the standards.</p> <p>f) In place.</p> <p>The mission of the audit team includes the responsibility to provide insight, and the QAIP process ensures audits are scoped and delivered to meet objectives and strategies i.e., being future focused. Auditors are challenged where required to include strategic insight through the audit review process, and reports are developed and delivered with this objective.</p> <p>g) In place.</p> <p>The audit team is asked at times to provide consultancy services, which indicates that senior managers value the insight, advice and guidance of the team when developing processes or systems. In assurance engagements, recommendations have been made and agreed in respect of process developments and service reviews where relevant.</p>

	Core Principles for the Professional Practice of Internal Auditing				
D	Code of Ethics				
14-17	<p>Integrity</p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display integrity by:</p> <p>a) Performing their work with honesty, diligence and responsibility?</p> <p>b) Observing the law and making disclosures expected by the law and the profession?</p> <p>c) Not knowingly partaking in any illegal activity nor engaging in acts that are discreditable to the profession of internal auditing or to the organisation?</p> <p>d) Respecting and contributing to the legitimate and ethical objectives of the organisation?</p>	X Y			<p>In place.</p> <p>All members of the Audit Team follow the Code of Ethics, and many are also members of the IIA or other professional bodies through which additional standards are adhered to.</p> <p>All team members make an annual declaration of personal interests and secondary employment, which they are required to update promptly in light of any changes to be documented.</p> <p>All members of the team also follow the Council's Code of Conduct.</p> <p>All Internal Auditors have also completed the IIA Professional Competency Framework, through which they have self-assessed conformance with all areas of the Standards, to include the Code of Ethics.</p>
18-20	<p>Objectivity</p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display objectivity by:</p> <p>a) Not taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment?</p> <p>b) Not accepting anything that may impair or be presumed to impair their professional judgement?</p> <p>c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?</p>	X Y			<p>In place.</p> <p>As above, standards are reinforced through completion of the IIA professional Competency Framework annually by all auditors, and conformance with the Code of Ethics.</p> <p>All staff are also required to adhere to the corporate policy on gifts and hospitality and, as a rule, would not accept gifts and hospitality (other than basic hospitality e.g. tea and biscuits).</p> <p>The audit review process provides a secondary check and challenge on the completeness of the audit and the audit insight and information for appropriate reporting and disclosure.</p>
21-22	<p>Confidentiality</p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display due respect and care by:</p> <p>a) Acting prudently when using information acquired in the course of their duties and protecting that information?</p> <p>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?</p>	X Y			<p>In place.</p> <p>As above, this is a core requirement of the Code of Ethics, assessed through the annual IIA competency Framework review by each Auditor, and monitored through each audit review.</p>
23-25	<p>Competency</p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display competence by:</p> <p>a) Only carrying out services for which they have the necessary knowledge, skills and experience?</p> <p>b) Performing services in accordance with the PSIAS?</p> <p>c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?</p>	X Y			<p>In place.</p> <p>Auditors are only allocated audits for which they have the knowledge skills and experience, and the level of supervision they will receive is based on their level of capability. The process of ongoing review and supervision of all auditors means that their capability to deliver different categories of audit and the supervision and support required is well understood by audit managers when allocating work.</p> <p>All audits are performed in accordance with the PSIAS, as supported by the ongoing monitoring through the PSIAS and the Audit Manager's annual review of conformance as outlined in the Internal Audit Annual Report.</p> <p>There have been auditors funded in recent years for CIA and CISA professional study. For all team members, measures are in place to support CPD through the</p>

					availability of a combination of in-house training opportunities via the Academy and wider seminars and events, as appropriate.
26	<p>Seven Principles of Public Life</p> <p>Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors, whether consciously or through conformance with organisational procedures and norms, have due regard to the Committee on Standards of Public Life's <i>Seven Principles of Public Life</i>?</p>	X Y			<p>In place.</p> <p>The importance of upholding high standards of behaviour and conduct (encompassing the Seven Principles of Public Life) and regularly reinforced to the members of the team. Indeed, every audit is subject to a review by the auditor, their supervisor and the audit client with any adverse comment (which are rare) followed up in full to reinforce the commitment to delivering high quality conduct and performance.</p>
	Code of Ethics Conclusion				
	Standards				
E	Attribute Standards				
	1000 Purpose, Authority and Responsibility				
27-29	<p>Does the internal audit charter conform with the PSIAS by including a formal definition of:</p> <p>a) the purpose</p> <p>b) the authority, and</p> <p>c) the responsibility</p> <p>of the internal audit activity consistent with the Public Sector Internal Audit Standards (PSIAS)?</p>	X Y			<p>In place.</p> <ul style="list-style-type: none"> <li>Purpose is included in the '<i>Definition, Objective and Scope of Internal Audit</i>' section</li> <li>Authority is included in the '<i>Authority</i>' section</li> <li>Responsibility is included in the '<i>Responsibility</i>' section.</li> </ul> <p>Wording and definitions are consistent with the PSIAS.</p>
30	<p>Does the internal audit charter conform with the PSIAS by clearly and appropriately defining the terms 'board' and 'senior management' for the purposes of the internal audit activity?</p> <p>Note that it is expected that the audit committee will fulfil the role of the board in the majority of instances.</p>	X Y			<p>In place.</p> <ul style="list-style-type: none"> <li>In the '<i>Responsibility</i>' section, the role of the Board is stated as being delivered by the Governance and Audit Committee.</li> <li>In the same paragraph as a point of additional clarity 'senior management' is defined as representing members of the Senior Management Team.</li> </ul>
31-45	<p>Does the internal audit charter also:</p> <p>a) Set out the internal audit activity's position within the organisation?</p> <p>b) Establish the chief audit executive's (CAE) functional reporting relationship with the board?</p> <p>c) Establish the accountability, reporting line and relationship between the CAE and those to whom the CAE may report administratively? Where applicable, this will need to encompass shared service or external providers of internal audit, and the role of the contract manager.</p> <p>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?</p> <p>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?</p> <p>f) Define the scope of internal audit activities?</p>	X Y Y Y Y Y			<p>In place.</p> <p>a) Internal Audit reports to the Head of Finance (Deputy Section 151 Officer), as defined in the section on '<i>Organisation</i>'.</p> <p>b) The Internal Audit functional reporting to the Governance and Audit Committee is included in the section of '<i>Organisation</i>'.</p> <p>c) As above, the administrative reporting line from Internal Audit to the Head of Finance is established. Accountability is in line with standard HR Council processes. Specific Audit Manager responsibilities are included throughout the Audit Charter in meeting the requirements of the PSIAS.</p> <p>d) The Governance and Audit Committee (Board) has a clear terms of reference. The Corporate Director Resources (Section 151 Officer) is the senior officer responsible for overseeing the Internal Audit Team, as included in the section on '<i>Resources</i>'.</p>



	<p>g) Recognise that internal audit's remit extends to the entire control environment of the organisation?</p> <p>h) Establish the organisational independence of internal audit?</p> <p>i) Cover the arrangements for appropriate resourcing?</p> <p>j) Define the role of internal audit in any fraud-related work</p> <p>k) Set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, requiring the CAE to be notified of all suspected or detected fraud, corruption or impropriety?</p> <p>l) Include arrangements for avoiding conflicts of interest if internal audit or the CAE undertakes non-audit activities?</p> <p>m) Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?</p> <p>n) Define the nature of consulting services?</p> <p>o) Recognise the mandatory nature of the PSIAS?</p>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>N/A</p> <p>Y</p> <p>Y</p> <p>Y</p>			<p>e) Rights of access are included in the section on '<i>Authority</i>'.</p> <p>f) Included in the section on 'Definition, Objective and Scope'.</p> <p>g) The section on 'Definition, Objective and Scope' has been expanded to include this explicit statement.</p> <p>h) This is included in the section on '<i>Independence and Objectivity</i>'.</p> <p>i) Included with particular reference in the section on '<i>Internal Audit Plan</i>', the '<i>Core Principles</i>'. Supported by the Governance and Audit Committee Terms of Reference.</p> <p>j) The section on 'Responsibility' was expanded for '19/20 to reference specific role and retained thereafter.</p> <p>k) The section on 'Organisation' has been expanded for '19/20 to reference this and retained thereafter.</p> <p>l) Not applicable. The Audit Manager is not responsible for managing any functions other than the Internal Audit and Investigation Teams.</p> <p>m) The nature of services is defined in the 'responsibility' section.</p> <p>n) Consulting services are defined as 'advisory' in line with the PSIAS definition.</p> <p>o) This is included in the section on '<i>Role and Professionalism</i>'.</p>
46	Does the CAE periodically review the internal audit charter and present it to senior management and the board for approval?	X Y			<p>In place.</p> <ul style="list-style-type: none"> <li>The Audit Charter is reviewed on at least an annual basis, shared and discussed with Senior Management, and approved by Governance and Audit Committee.</li> <li>The Audit Plan and Charter for 2022/23 were discussed with SMT on 24 February and approved by the Governance and Audit Committee on 15 March 2022.</li> </ul> <p> Audit Papers - SMT.msg</p>
	1000 Conclusion				
	1100 Independence and Objectivity				
47	Does the CAE have direct and unrestricted access to senior management and the board?	X Y			<p>In place.</p> <p>Mandated through the Audit Charter.</p>
48	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 Y			<p>The Audit Manager has regular meetings with, and unfettered access to, the Chair of the Governance and Audit Committee and the Chief Executive.</p>
49	Does the CAE attend audit committee meetings?	X Y			<p>In Place.</p>
50	Does the CAE contribute to audit committee agendas?	X Y			<p>Audit Manager attendance and contribution at each Governance and Audit Committee meeting. The Audit Manager contributes to developing each committee agenda with the Chair.</p>

51-54	Are threats to objectivity identified and managed at the following levels: a) Individual auditor? b) Engagement? c) Functional? d) Organisation?	X Y  Y Y Y			In Place.  Individual personal declarations maintained for all auditors and kept up to date – these are used to mitigate any individual independence risks in allocating audit work.  Within audits, there is close supervision and monitoring as well as a quality assurance review through which any potential or perceived independence risks will be mitigated.  The Audit Manager reports functionally to the Governance and Audit Committee, as outlined in the Audit Charter.  The Audit Manager reports administratively to the Head of Finance, and has unfettered access to the Chief Executive, with whom regular meetings are in place. The Audit Manager also attends SMT meetings to present and to observe relevant assurance items
	1100 Conclusion				
	<i>1110 organisational Independence</i>				
55	Does the CAE report to an organisational level equal or higher to the corporate management team?	X Y			In place.  The Audit Manager reports to the Head of Finance, who is a senior manager within the Council.
56	Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?	X Y			The Audit Manager has regular meetings with the Chief Executive and, through a Relationship Manager role, regular meetings are held with each Director.  The Audit Manager has access to the Chair of the Governance and Audit Committee
57-58	Does the CAE's position in the management structure: a) Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board? b) Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management?	X Y  Y			In place.  The Audit Manager provides a quarterly progress report to the Governance and Audit Committee meetings, and the Governance and Audit Committee approves the Audit Plan and the Audit Charter.  The Audit Manager reports administratively to the Head of Finance and functionally to the Governance and Audit Committee.  The Audit Manager manages the Internal Audit and Investigation Teams only.
59	Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent?	X Y			In place.  Ongoing independence and objectivity is reported to the Governance and Audit Committee in each progress report (within each Governance and Audit Committee meeting) and within the Internal Audit Annual Report.
60	Is the organisational independence of internal audit realised by functional reporting by the CAE to the board?  <i>The 'Interpretation' to PSIAS 1110 provides examples of factors which may indicate that the CAE reports functionally to the Board, which</i>	X			In place.  The Audit Manager reports functionally to the Governance and Audit Committee that:



	<p><i>include where the board:</i></p> <p>a) <i>approves the internal audit charter</i></p> <p>b) <i>approves the risk-based audit plan</i></p> <p>c) <i>approves the internal audit budget and resource plan</i></p> <p>d) <i>receives communications from the CAE on the activity's performance (in relation to the plan, for example)</i></p> <p>e) <i>approves decisions relating to the appointment and removal of the CAE</i></p> <p>f) <i>approves the remuneration of the CAE</i></p> <p>g) <i>seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.</i></p>	<p>Y</p> <p>Y</p> <p>N/A</p> <p>Y</p> <p>N/A</p> <p>N/A</p> <p>Y</p>			<ul style="list-style-type: none"> <li>• Approves the Audit Charter</li> <li>• Approves the risk-based audit plan and receives quarterly progress reports on performance</li> <li>• Receives information on the audit budget and resource plan</li> <li>• Would be advised by the Audit Manager of scope or resource limitations and are able to seek assurance as necessary.</li> </ul> <p>The Governance and Audit Committee has full information on staff resource within the audit team and would be appraised of any decisions to appoint or remove the Audit Manager but, as is typical in local authorities, these areas are not approved by the Governance and Audit Committee nor is the Audit Manager's remuneration. The External Assessor within 2017/18 as part of the EQA was content that appropriate safeguards and practices were in place in respect of functional independence, which have been maintained.</p>
	1110 Conclusion				
	1111 <i>Direct Interaction with the Board</i>				
61	Does the CAE communicate and interact directly with the board?	X Y			<p>In place.</p> <p>The Audit Manager communicates individually with the Chair in particular and has the opportunity to communicate with all Governance and Audit Committee members individually as necessary.</p>
	1111 Conclusion				
	1112 <i>Chief Audit Executive Roles Beyond Internal Auditing</i>				
62	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?	X Y			<p>In place.</p> <p>The Audit Manager is not responsible for any teams other than the Internal Audit and Investigations Teams</p>
63	Does the board periodically review these safeguards?	X Y			<p>The Audit Manager completes a personal interest declaration at least annually, which is updated promptly in the event of any changes.</p>
	1112 Conclusion				
	1120 <i>Individual Objectivity</i>				
64	Do internal auditors have an impartial, unbiased attitude?	X Y			<p>In place.</p> <p>Monitored and managed through quality assurance processes.</p>
65	Do internal auditors avoid any conflict of interest, whether apparent or actual?	X Y			<p>In place.</p> <p>Via personal interest declarations, careful work allocation and quality assurance processes.</p>
	1120 Conclusion				

	1130 Impairment to Independence or Objectivity				
66	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 Y			Not applicable. There has been no impairment of independence or objectivity.
67	Does review indicate that work allocations have operated so that internal auditors have not assessed specific operations for which they have been responsible within the previous year?	X Y			In place. This has been achieved through declaration and work allocation processes
68	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?	X Y			In place. The Audit Manager does not manage any teams other than the Audit and Investigation teams. The Audit Manager has not overseen assurance audits relating to COVID grants, whistleblowing procedures, investigation processes and disciplinary procedures. The Audit Manager identified an operational manager within Accountancy to oversee these audits. <ul style="list-style-type: none"><li>• In respect of the COVID grants, the Audit Manager provided guidance on control and counter fraud measures for scheme administration;</li><li>• in respect of the other areas, the Audit Manager can have some operational involvement in respect of cases / matters of financial impropriety / fraud; and</li><li>• counter-fraud procedures are overseen by the Audit Manager.</li></ul>
69	Is the risk of over-familiarity or complacency managed effectively: for example by rotating assignments for ongoing assurance engagements and other audit responsibilities periodically within the internal audit team?	X Y			In place. Auditors are rotated to avoid risks of over-familiarity and to support continuous development.
70	Have internal auditors declared interests in accordance with organisational requirements?	X Y			In place. All auditors have declared their interests in accordance with corporate policy.
71	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 Y			Not applicable. All auditors are aware of the requirement to adhere to the corporate policy and to work in accordance with the Code of Ethics and the standards. The team has received no gifts / hospitality this year for declaration.
72	Does review indicate that no instances have been identified where an internal auditor has used information obtained during the course of duties for personal gain?	X Y			In place. There has been no evidence of this risk, which is mitigated through the declarations made of the standards upheld and monitoring arrangements.
73	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 Y			In place. Each audit is reviewed to ensure that all material facts are appropriately disclosed.
74	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 Y			Not applicable. No consulting engagements have presented a potential or actual risk to independence or objectivity.

75	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?	X Y			In place. The Audit Charter authorises the Audit Manager to make in-year changes to the audit plan and approve audit engagements of no more than 10 days, with the approval of the Governance and Audit Committee. The Governance and Audit Committee has approved all additions to the audit plan for audit engagements requiring more than 10 days.
	1130 Conclusion				
	1200 Proficiency and Due Professional Care				
	1210 Proficiency				
76	Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	X Y			In place. The Audit Manager is an experienced audit practitioner and manager and is both CMIIA qualified and a member of CCAB.
77	Is the CAE suitably experienced?	X Y			
78	Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	X Y			In place. The Audit Manager has led on all recruitments since commencing post, as Chair of the interview panel.
79	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 Y			In place. Up to date job descriptions are held.
80	Having regard to the answers to the other questions in this section and other matters, does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	X Y			In place. The requirement is reinforced through the IIA Competency Framework against which all auditors are assessed annually, and from which relevant development areas can be built into the following year's objectives as part of the personal review, against which auditors are measured as part of the Council's performance management framework.
81	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 Y			In place. The Audit Manager has the authority in the Audit Charter to buy-in any services where necessary due to staff turnover and gaps in skills or capacity for certain areas of the audit plan. During 2021/22, the Audit Manager commissioned two audits, one of which was of a more specialist area of the plan (cloud computing).
82	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	X Y			In place. Fraud control and risk information has been shared with the team and advice is available from the investigation team where required by auditors. A training session was provided to the internal audit team on this area in 2021.
83	Do internal auditors have sufficient knowledge of key information technology risks and controls?	X Y			In place.

					All auditors have undertaken corporate cyber security training and three have the CIA qualification with the IIA, in which IT controls and risks are included. A member of the team has received funding to study CISA with ISACA. Information and learning is shared through good team communication.
84	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 Y			In place.  All auditors have a good level of IT skill and knowledge. The team has some members who have higher IT proficiency and are available to provide support / guidance as and when required.
	1210 Conclusion				
	1220 Due Professional Care				
85-89	Do internal auditors exercise due professional care by considering the: a) Extent of work needed to achieve the engagement's objectives? b) Relative complexity, materiality or significance of matters to which assurance procedures are applied? c) Adequacy and effectiveness of governance, risk management and control processes? d) Probability of significant errors, fraud, or non-compliance? e) Cost of assurance in relation to potential benefits?	X Y			In place.  <ul style="list-style-type: none"> <li>The extent of supervision in scoping audits depends on experience and skills</li> <li>All auditors are required to consider the materiality and risk in undertaking their audits, and are supervised according to their skills</li> <li>All audit pit stops and reviews will involve considering the adequacy and effectiveness of governance risk management and control processes, and the possibility of errors, fraud, or non-compliance.</li> <li>Each audit is allocated a number of days to reflect the costs of assurance and the benefits, and auditors are monitored to manage audits accordingly.</li> <li>The use of IT applications to maximise assurance and reduce audit time is advocated, and auditors are supported by colleagues to develop IT audit skills.</li> </ul>
90-92	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? b) Relative complexity and extent of work needed to achieve the engagement's objectives? c) Cost of the consulting engagement in relation to potential benefits?	X Y			In place.  Controls as above, with time allocated in accordance with the cost of the audit compared to the benefits, and the output expectations are set in accordance with the requirements of the consulting engagement to ensure value is added to management.
	1220 Conclusion				
	1230 Continuing Professional Development				
93	Has the CAE defined the skills and competencies for each level of auditor?	X Y			In place.
94	Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	X Y			The CAE has adopted the IIA Competency framework, in which the three categories of auditor are assessed as follows:  Audit Manager – Assessed against CAE standards

					Group Auditor / Principal Auditor* – Assessed against Management Standards Senior Auditors / Auditors – Assessed against Auditor Standards. * Principal Auditor commenced post during 2022/23, and will transfer to the management standards assessment for 2022/23 year end assessment.
95	Do internal auditors undertake a programme of continuing professional development?	X Y			In place.
96	Do internal auditors maintain a record of their professional development and training activities?	X Y			<ul style="list-style-type: none"> <li>Auditors have a Personal review designed to contain targets and relevant development objectives each year</li> <li>All auditors are responsible for maintaining their record of professional development.</li> </ul>
	1230 Conclusion				
	1300 Quality Assurance and Improvement Programme				
97	Has the CAE developed a QAIP that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?	X Y			In place. A comprehensive QAIP is maintained and included within the Audit Charter, which is subject to annual review by the Senior Management Team, and approval by the Governance and Audit Committee each year. There is an external assessment every 5 years.
98	Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?	X Y			
99	Does the CAE maintain the QAIP?	X Y			
100	Are any statutory requirements for review of the internal audit activity satisfied?	X Y			
	1300 Conclusion				
	1310 Requirements of the Quality Assurance and Improvement Programme				
101	Does the QAIP include both internal and external assessments?	X Y			Yes.
	1310 Conclusion				
	1311 Internal Assessments				
102	Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	X Y			In place. Yes – work is allocated based on knowledge, skills and experience, with appropriate supervision in place as required.
103-104	Do internal assessments include ongoing monitoring of the internal audit activity such as: a) Routine quality monitoring processes? b) Periodic assessments for evaluating conformance with the PSIAS?	X Y Y			In place. Each audit requires supervision and a quality review of conformance with the PSIAS. The Audit Manager undertakes annual reviews of conformance with the PSIAS. There is an EQA completed at least every 5 years.
105	Does ongoing performance monitoring contribute to quality improvement through the effective use of performance targets?	X Y			In place.



106	Is there a set of comprehensive targets which between them encompass all significant internal audit activities?	X Y			A comprehensive set of performance indicators is in place. The performance indicators are measured, monitored and reported to the Governance and Audit Committee.  Client feedback is requested for each audit engagement, which is also monitored, followed up where relevant, and reported to the Governance and Audit Committee.
107	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	X Y			
108	Does the CAE measure, monitor and report on progress against these targets?	X Y			
109	Does ongoing performance monitoring include obtaining stakeholder feedback?	X Y			
110	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.	Y			In place.  EQA completed at least every 5 years by an independent and suitably qualified and experienced assessor.
111	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	X Y			In place.  The outturn position of the audit plan is monitored on an ongoing basis by the audit manager, reported to the Governance and Audit Committee quarterly and as part of the annual report and audit opinion.
	1311 Conclusion				
	1312 External Assessments				
112	Has an external assessment been carried out, or is one planned to be carried out, at least once every five years?	X Y			In place.  EQA completed at least every 5 years, and the approach is reported to the Governance and Audit Committee.
113	Has the CAE discussed the alternative approaches to external assessment with the board? <i>This should reflect the relative costs of the different approaches, the potential advantages of an external viewpoint, and whether there are factors which might be considered to warrant a demonstrably independent assessment.</i>	X Y			The approach has been discussed with the Chair of the Governance and Audit Committee, and reported to the Governance and Audit Committee for consideration and comment in July 2022.
114	Has the CAE properly discussed the qualifications and independence of the assessor or assessment team with the board? <i>In doing this, the CAE should consider whether the assessor or assessment team has demonstrated its competence in both the professional practice of internal auditing and the external assessment process. Competence can be demonstrated through both experience and theoretical learning. Experience of similar organisations or sectors is more valuable than less relevant experience. In the case of an assessment team, not all members need to have all the competencies – it is the team as a whole that is qualified.</i> <i>If the capability of the assessor or assessment team is not immediately obvious, the CAE should document how they used professional judgement to decide whether this is sufficient to carry out the external assessment.</i>	X Y			In place.  The last external assessment was in 2017/18, for which there were no risks to independence or assessor competence. The full position was reported to the Governance and Audit Committee (named the Audit Committee at the time), which was satisfied with the approach followed for external assurance.  Relevant details have been discussed with the Chair of the Governance and Audit Committee, and reported to the Governance and Audit Committee for consideration and comment in July 2022.

	<i>If the assessor or assessment team has any real or apparent conflicts of interest with the organisation, this should be clearly explained to the board, and safeguards should be put in place to minimise the effect of this on the conduct of the external assessment. Conflict of interest 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.</i>				
115	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? <i>The CAE should also agree this scope with the external assessor or assessment team.</i>	X Y			In place. As above, scope of EQA agreed with the Governance and Audit Committee. The CAE also agreed the scope of the EQA and approach with the external assessor.
	1312 Conclusion				
	1320 Reporting on the Quality Assurance and Improvement Programme				
116	Has the CAE reported the results of the QAIP to senior management and the board? <i>Note that:</i> <i>a) the results of both external and periodic internal assessment must be communicated upon completion</i> <i>b) the results of ongoing monitoring must be communicated at least annually</i> <i>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.</i>	X Y			In place. The results of the QAIP are reported to the Governance and Audit Committee annually and to senior management, through relationship management meetings with the Chief Executive and each Director.
117	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	X Y			In place. The action plan contains improvement areas arising from the QAIP review.
	1320 Conclusion				
	1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'				
118	Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	X Y			In place. Conformance is supported by the results of the QAIP.
	1321 Conclusion				
	1322 Disclosure of Non-conformance				
119	Has the CAE reported any instances of non-conformance with the PSIAS to the board?	X Y			N/A
120	If appropriate, has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	X Y			N/A
	1322 Conclusion				

F	Performance Standards				
	2000 Managing the Internal Audit Activity				
	2010 Planning				
121	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 Y			In place.
122	Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?	X Y			There is a clear risk-based planning process in place, designed to support a comprehensive audit opinion.
123-125	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? b) How the internal audit service will be developed in accordance with the internal audit charter? c) How the internal audit service links to organisational objectives and priorities?	X Y Y Y			The CAE has also developed an Audit Strategy to address - how the service will be delivered - how the service will be developed in accordance with the charter - how the service links to organizational objectives and priorities
126	Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	X Y			In place.
127	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 Y			The audit plan addressed both local and national issues, such as service specific priorities, to national priorities, such as future generation considerations.
128	If such a risk management framework does not exist, has the CAE used their judgement of risks after input from senior management and the board and evidenced this?	X Y			An audit of risk management arrangements is undertaken most years through which the maturity of risk management is considered, which in turn informs the extent to which risk registers can be used to inform the risk-based audit plan.
129-131	Does the risk-based plan set out the: a) Audit work to be carried out? b) Respective priorities of those pieces of audit work? c) Estimated resources needed for the work?	X Y Y Y			In place.
132	Does the risk-based plan differentiate between audit and other types of work?	X Y			The audit plan sets out the audits to be delivered categorised as core financial system audits, governance and operational (in the inherent priority order as listed). Audits are also allocated an individual inherent risk / priority rating. A number of indicative audit days is allocated to each audit.
133	Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	X Y			The audit plan categorises audit engagements between assurance and consultancy work, and the plan is responsive to risk through assurance mapping and relationship management meetings.
134	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?	Y			In place.
135	Is the internal audit activity's plan of engagements based on a documented risk assessment?	X Y			The audit plan categorises audit engagements between assurance and consultancy work, and the plan is responsive to risk through assurance mapping and relationship management meetings. In-year changes to the Audit Plan are communicated and discussed with the Governance and Audit Committee, and approved as required in accordance with the Audit Charter.
136	Is the risk assessment used to develop the plan of engagements undertaken at least annually?	X Y			In place.
					A full assurance map is in place for all core systems and governance audits, and all service specific audits are planned in co-ordination with Directors on a risk basis. Risk registers and assurance statements are used to inform the audit plan, as well as reports from wider assurance providers.



137-140	In developing the risk-based plan, has the CAE also given sufficient consideration to: a) Any declarations of interest (for the avoidance for conflicts of interest)? b) The requirement to use specialists, eg IT or contract and procurement auditors? c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary? 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 Y Y Y			In place.  - Declarations are maintained for all auditors and conflicts avoided in allocating work  - Audit resources are bought in where required to deliver the Audit Plan  - Audit plans are adjusted and responsive to allegations of fraud and emerging risks  - The audit management team devotes sufficient time to robust planning, monitoring and reporting.
141	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?	X Y			In place.  - Quarterly relationship management meetings are held with Directors and bi-monthly meetings with the Chief Executive in order to seek awareness of strategies, objectives and risks.  - The CAE takes account of the assurance requirements of the senior management team and the Governance and Audit Committee in audit planning, providing the internal audit opinion, and reporting.
142	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 Y			
143	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 Y			In place.  All requests for consultation engagements are considered in terms of their merits and the added value they could bring before they are accepted, added to the plan, and arranged by the CAE.
144	Are consulting engagements that have been accepted included in the risk-based plan?	X Y			
	2010 Conclusion				
	<i>2020 Communication and Approval</i>				
145	Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	X Y			In place.  After a period of engagement at director level, the full Audit Plan is presented by the Audit Manager to SMT for agreement, prior to approval being sought from the Governance and Audit Committee. The Plan contains resource requirements.
146	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 Y			In place.  The Audit Charter clearly documents how changes to the audit plan are to be communicated and approved, and this is adhered to.  Within the Annual Charter, the audit resources for each year are communicated to the Governance and Audit Committee. The CAE reports on the delivery of the audit plan to Governance and Audit Committee quarterly to include reporting on any resource issues or related matters.
147	Has the CAE communicated the impact of any resource limitations to senior management and the board?	X Y			In place.  In the event of resource limitations in the first instance the Section 151 Officer and then the Governance and Audit Committee are to be informed.

	2020 Conclusion				
	<i>2030 Resource Management</i>				
148	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	X Y			In place. There is a full reconciliation between the available productive days and the itemised days allocated to audits within the plan.
149	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?	X Y			In place. This is achieved through discussion and agreement with Directors within Relationship Management meetings.
150	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?	X Y			In place. In the event of any material impairment to the delivery of the audit plan, this would be reported to the Governance and Audit Committee and the consequences highlighted. The Governance and Audit Committee receives a full disclosure of progress against the audit plan on a quarterly basis.
	2030 Conclusion				
	<i>2040 Policies and Procedures</i>				
151	Has the CAE developed and put into place policies and procedures to guide the internal audit activity?	X Y			In place.
152	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	X Y			The Audit Manager has clear policies and procedures in place to guide the audit team in accordance with the PSIAS and the Audit Strategy, notably the QAIP and associated processes, and the audit protocol.
	2040 Conclusion				
	<i>2050 Coordination</i>				
153	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?	X Y			In place. Through Relationship Management meetings, directorates are asked to inform the audit team of initiatives, projects and wider assurance and regulatory reports, to allow appropriate reliance and insight to be given to these areas in informing the audit plan. The CAE has regular meetings with Audit Wales to discuss audit planning and outcomes. The contents of risk registers and senior management assurance statements are used as part of assurance mapping.
	2050 Conclusion				
	<i>2060 Reporting to Senior Management and the Board</i>				
154	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 Y			In place. The CAE provides the Audit Charter to the senior management team upon annual

155	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 Y			review. The Charter is counter-signed by the Chief Executive as endorsement.  The Audit Charter is approved by the Governance and Audit Committee annually, and progress against the plan and a documentation of critical findings and emerging trends are included within each audit progress report.
156	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 Y			The CAE reports to SMT periodically on audit progress, findings and assurance levels periodically. The frequency of reporting is determined through consideration and discussion by the Audit Manager and Chief Executive, with the urgency of communications considered.
	2060 Conclusion				
	<i>2070 External Service Provider and Organisational Responsibility for Internal Auditing</i>				
157	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?	X Y			N/A – In-house provision in place.
	2070 Conclusion				
	2100 Nature of Work				
	<i>2110 Governance</i>				
158-163	Does the internal audit activity assess and make appropriate recommendations to improve the organisation's governance processes for: a) Making strategic and operational decisions? b) Overseeing risk management and control? c) Promoting appropriate ethics and values within the organisation? d) Ensuring effective organisational performance management and accountability? e) Communicating risk and control information to appropriate areas of the organisation? f) Coordinating the activities of and communicating information among the board, external and internal auditors and management?	X Y			In place.  This is in place and reinforced through auditor use of the IIA competency framework for skills assessment purposes, through the quality assurance process and at a strategic level through the CAE and wider management team communication with Directors and the Governance and Audit Committee.

164	Has the internal audit activity evaluated the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities? This is an area where the CAE may be able to use other sources of assurance.	X Y			In place.  Ethics related audits are completed each year.
165	Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives? This is an area where the CAE may be able to use other sources of assurance.	X Y			In place.  IT Governance has been subject to audit within the Council, and there is an IT section within the annual Audit Plan.
	2110 Conclusion				
	2120 Risk Management				
166-169	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? b) Significant risks are identified and assessed? c) Appropriate risk responses are selected that align risks with the organisation's risk appetite? 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 Y			In place.  An audit of risk management arrangements is generally completed on an annual basis.
170-174	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? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?	X Y			In place.  The audit plan is designed to sufficiently address each of these areas each year and inform the audit opinion.
175	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	X Y			In place.  The audit team works closely with the investigation team and considered fraud risks and fraud risk management controls routinely through its work.  The team are aware of the CIPFA documentation, as well as wider publications in respect of fraud risk management.
176	Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	X Y			In place.  Auditors are supported through their supervisor in these areas to appropriately assess and take account of risks identified through consultancy engagements.
177	Are internal auditors alert to other significant risks when undertaking consulting engagements?	X Y			The knowledge gained from any audit is incorporated into the overall view and evaluation of risk management.
178	Do internal auditors incorporate knowledge of risks gained from consulting engagements into their evaluation of the organisation's risk management processes?	X Y			
179	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 Y			In place.  Auditors provide advice, guidance and recommendations and do not cross over into managing risks or take on any responsibility for doing so when assisting management.

	2120 Conclusion				
	2130 Control				
180-184	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? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?	X Y			In place.  The audit plan is designed to sufficiently address each of these areas each year and inform the audit opinion. These areas are targeted as appropriate in the objectives of individual audit engagements.
185	Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	X Y			In place.  Auditors utilise knowledge of controls gained during consulting engagements when evaluating the Council's control processes.
	2130 Conclusion				
	2200 Engagement Planning				
186	Do internal auditors develop and document a plan for each engagement?	X Y			In place.
187-190	Does the engagement plan include the engagement's: a) Objectives? b) Scope? c) Timing? d) Resource allocations?	X Y			The objective, scope, timing and resource allocations are established for each audit.
191-198	Do internal auditors consider the following in planning an engagement, and is this documented: a) The objectives of the activity being reviewed? b) The means by which the activity controls its performance? c) The significant risks to the activity being audited? d) The activity's resources? e) The activity's operations? f) The means by which the potential impact of risk is kept to an acceptable level? g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model? h) The opportunities for making significant improvements to the activity's governance, risk management and control processes?	X Y			In place.  The process has been in place for a number of years. A planning pro forma is used to document this information for each audit engagement.
199-201	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: 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)?	X Y			In place.  This has been documented as appropriate. An example is the work of the Internal Audit Team auditing the CCR City Deal, for which a clear engagement document / SLA has been established.



202-204	For consulting engagements, have internal auditors established an understanding with the engagement clients about the following: a) Objectives? b) Scope? c) The respective responsibilities of the internal auditors and the client and other client expectations?	X Y			In place.  The objectives, scope and responsibilities for all consulting engagements are clearly communicated and documented to the extent necessary, and relevant to the scale of the work. In respect of significant consulting work, i.e. the consulting engagements included on the audit plan, a proforma document is completed to document the understanding.
205	For significant consulting engagements, has this understanding been documented?	X Y			
	2200 Conclusion				
	2210 Engagement Objectives				
206	Have objectives been agreed for each engagement?	X Y			In place
207	Have internal auditors carried out a preliminary risk assessment of the activity under review?	X Y			All audits have objectives set, and risk assessments are carried out at the outset of each audit during the audit planning stage – via the planning proforma completed.
208	Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	X Y			Auditors consider the risk of significant errors, fraud, non-compliance and wider risks relevant to the objectives of each audit.
209-212	Have internal auditors considered the probability of the following, when developing the engagement objectives: a) Significant errors? b) Fraud? c) Non-compliance? d) Any other risks?	X Y			
213	Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether organisational objectives and goals have been accomplished?	X Y			In place.  The majority of audits will interrogate the basis of which objectives are measured and monitored. Recommendations are raised where there is scope for improvement.
214	If the criteria has been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?	X Y			
215	If the criteria has been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	X Y			In place.  Where applicable, this would be the practice followed.
216	If the value for money criteria has been referred to, has the use of all the organisation's main types of resources been considered, including money, people and assets?	X Y			
217	Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	X Y			In place.  All consulting engagements are set up with objectives to address or support matters of governance, risk management and control processes. Objectives are aligned to and consistent with the organisation's values, strategies and objectives.
218	Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	X Y			
	2210 Conclusion				
	2220 Engagement Scope				
219	Is the scope that is established for each engagement generally sufficient to satisfy the engagement's objectives?	X Y			In place.  The scope of each audit engagement is carefully considered to target and achieve the full objectives set, with records, systems, personnel, properties and areas
220	Does the scope for each engagement include consideration of relevant systems, records, personnel and physical properties?	X Y			

221	Does this consideration include areas under the control of outside parties, where appropriate?	X Y			considered as necessary to appropriately achieve the audit objectives. This would include those under the control of outside parties as appropriate.
222	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 Y			In place.  For all significant consulting engagements, the objectives are clearly set with relevant management. The results of consulting engagement are communicated in accordance with the consulting standards.
223	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 Y			
224	For each consulting engagement, was the scope of the engagement generally sufficient to address any agreed-upon objectives?	X Y			In place.  The scope of all consulting engagements is clearly designed to meet the objectives set.
225	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?	Y			All audit engagements are subject to oversight by an audit reviewer to ensure that conversations are held throughout the audit, where discussions of any scope reservations or limitations would be made. The reviewer provides assurance that the controls have been adequately assessed by the auditor, and that objectives are met.
226	During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	X Y			
227	During consulting engagements, were internal auditors alert to any significant control issues?	X Y			
	2220 Conclusion				
	2230 Engagement Resource Allocation				
228-230	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? b) Any time constraints? c) The resources available?	X Y			In place.  The resources are clearly allocated and targets set for delivery in accordance with a consideration of the complexity and nature of the engagement, time constraints and resources available.
	2230 Conclusion				
	2240 Engagement Work Programme				
231	Have internal auditors developed and documented work programmes that achieve the engagement objectives?	X Y			In place.  A work programme is established for each audit engagement at its outset to achieve the objectives of the audit. Work programmes are agreed with the supervising officer, following review and amendment where necessary. The expectations for identifying, analysing, evaluating and documenting information and evidence are made clear to each auditor. Any considered adjustments to work programmes would come through audit pit stop meetings with the reviewer, which are documented.
232-235	Do the engagement work programmes include the following procedures for: a) Identifying information? b) Analysing information? c) Evaluating information? d) Documenting information?	X Y			
236	Were work programmes approved prior to implementation for each engagement?	X Y			
237	Were any adjustments required to work programmes approved promptly?	X Y			
	2240 Conclusion				
	2300 Performing the Engagement				
	2310 Identifying Information				
238	Do internal auditors generally identify (sufficient, reliable, relevant and useful) information which supports engagement results and conclusions?	X Y			In place.

					This is tested as part of the quality assurance review, before reports are issued.
	2310 Conclusion				
	<i>2320 Analysis and Evaluation</i>				
239	Have internal auditors generally based their conclusions and engagement results on appropriate analyses and evaluations?	X Y			In place.  This assertion is tested as part of the quality assurance review.
240-244	Have internal auditors generally remained alert to the possibility of the following when performing their individual audits, and has this been documented: a) Intentional wrongdoing? b) Errors and omissions? c) Poor value for money? d) Failure to comply with management policy? e) Conflicts of interest?	X Y			In place.  These assertions are tested as part of the quality assurance review.
	2320 Conclusion				
	<i>2330 Documenting Information</i>				
245	Have internal auditors documented the relevant information required to support engagement conclusions and results?	X Y			In place.  These assertions are tested as part of the quality assurance review.
246	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 Y			
247	Does the CAE control access to engagement records?	X Y			In place.
248	Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?	X Y			The Audit Manager controls access to engagement records.
249	Has the CAE developed and implemented retention requirements for all types of engagement records?	X Y			No information would be released without appropriate approval and advice. The starting point for such advice would be Council professional officers in the Information Governance team.  There is a corporate retention policy in place which includes Audit documentation and records.
250	Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	X Y			In place.  As above.
	2330 Conclusion				
	<i>2340 Engagement Supervision</i>				
251	Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	X Y			In place.
252	Is appropriate evidence of supervision documented and retained for each engagement?	X Y			Supervision is in place based on the skills, experience and other competences necessary to deliver audit engagements. Quality assurance reviews provide assurance on the quality and sufficiency of evidence retained on file.
	2340 Conclusion				
	2400 Communicating Results				
	<i>2410 Criteria for Communicating</i>				



253-256	Do the communications of engagement results include the following: a) The engagement's objectives? b) The scope of the engagement? c) Applicable conclusions? d) Recommendations and action plans, if appropriate?	X Y			In place.  A more detailed report is provided in the event of audit opinions of 'insufficient with major improvement needed' or 'unsatisfactory'. 'Effective' audit engagements have a more condensed action plan style of reporting. All assurance audit engagements have a terms of reference and an explanation of the audit and risk definitions and their meaning.  <i>[consider including objectives &amp; scope (or terms of reference) in all draft &amp; final reports along with the risk of the control weakness identified either within the body of the report or via an attachment or link]</i>
257	Do internal auditors generally discuss the contents of the draft final reports with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions?	X Y			In place.  A draft report is issued for management comment, and to address any matters of accuracy prior to the final report being issued.
258	If recommendations and an action plan have been included, are recommendations prioritised according to risk?	X Y			In place.  All recommendations are risk-based. The final action plan includes the management response, responsible officer and the timeframe within which the recommendation will be delivered. Any disagreement in relation to recommendations raised is included in the management response to the recommendation.
259	If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?	X Y			
260	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 Y			
261	Subject to confidentiality requirements and other limitations on reporting, 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?	X Y			In place.  All material facts in support of the audit opinion and findings are appropriately disclosed. The opinion considers and reflects the expectations of senior management, the board and wider stakeholders as appropriate.
262	When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	X Y			
263	Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	X Y			In place.  This requirement is included within the checks made as part of the quality assurance review for each audit.
264	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 Y			In place.  This would be clearly set out for communication of this nature.
265	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?	X Y			In place.  The risks associated with audits of arm's length and trading companies are carefully considered and appropriately addressed.
	2410 Conclusion				
	2420 Quality of Communications				

266	Are internal audit communications generally accurate, objective, clear, concise, constructive, complete and timely?	X Y			In place.  Quality control and monitoring measures are in place to ensure there are strong quality of communications in place.
	2420 Conclusion				
	2421 Errors and Omissions				
267	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 Y			In place.  Any significant errors or gaps in audit testing would be clarified and communicated to all those who received the original communication.
	2421 Conclusion				
	2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'				
268	Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?	X Y			In place.  The ongoing monitoring, annual review and 5-yearly external assessment provides ongoing assurance on compliance with the PSIAS, and is the basis for being able to report conformance with the PSIAS through the work of internal audit.
	2430 Conclusion				
	2431 Engagement Disclosure of Non conformance				
269-271	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? b) The reason(s) for non-conformance? c) The impact of non-conformance on the engagement and the engagement results?	X Y			In place.  This would be the practice for disclosure in the event of non-conformance.
	2431 Conclusion				
	2440 Disseminating Results				
272	Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	X Y			In place.  There is a clear protocol for circulating audit reports to the audit client, which is done so legally and in consideration of confidentiality.
273	Has the CAE communicated engagement results to all appropriate parties?	X Y			In place.  A protocol is followed for consistent reporting of engagement results and is contained in the audit charter.
274-276	Before releasing engagement results to parties outside the organisation, did the CAE: a) Assess the potential risk to the organisation? b) Consult with senior management and/or legal counsel as appropriate? c) Control dissemination by restricting the use of the results?	X Y			In place.  Where appropriate, prior to releasing any engagement documents to parties outside, advice would be sought from Legal Services. Information is shared with Audit Wales as the Council's external auditor.
277	Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	X Y			In place.  All significant findings are reported to the Governance and Audit Committee, and senior management are appropriately informed.

	2440 Conclusion				
	2450 Overall Opinion				
278	Has the CAE delivered an annual internal audit opinion?	X Y			In place.
279	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 Y			The CAE delivers an annual audit opinion on the adequacy of the Council's framework for governance, risk management and control. The opinion takes into account the expectations of a range of stakeholders and is supported by a sufficient, relevant, reliable and useful information.
280	Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	X Y			
281	Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information (having regard to the answers to questions on PSIAS 2300)?	X Y			
282-285	Does the communication identify the following: a) The scope of the opinion, including the time period to which the opinion relates? b) Any scope limitations? c) The consideration of all related projects including the reliance on other assurance providers? d) The risk or control framework or other criteria used as a basis for the overall opinion?	X Y			In place.  The audit opinion covers all requirements. It is contained within an annual report and the opinion is included within the annual governance statement.
286	Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	X Y			
287	Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?	X Y			
288-298	Does the annual report incorporate the following: a) The annual internal audit opinion? b) A summary of the work that supports the opinion? c) A disclosure of any qualifications to the opinion? d) The reasons for any qualifications to the opinion? e) A disclosure of any impairments or restriction in scope? f) A comparison or work actually carried out with the work planned? g) A statement on conformance with the PSIAS? h) The results of the QAIP? i) Progress against any improvement plans resulting from the QAIP? j) A summary of the performance of the internal audit activity against its performance measures and targets? k) Any other issues that the CAE judges is relevant to the preparation of the governance statement?	X Y			In place.  The annual report addresses all requirements.
	2450 Conclusion				
	2500 Monitoring Progress				
299	Has the CAE established a process to monitor and follow up management actions to ensure that agreed actions have been effectively implemented or that senior management have accepted the risk of not taking action?	X Y			In place.  The CAE has a recommendation tracker through which all recommendations raised are followed up until satisfactory conclusion. Any significant delays in completing recommendations may result in an audit area being revisited to understand the reasons for delay, through which a new audit opinion would be allocated.
300	Where issues have arisen during the follow-up process (for example, where agreed actions have not been implemented), has the CAE considered revising the internal audit opinion?	X Y			

301	Do the results of monitoring management actions inform the risk- based planning of future audit work?	X Y			Each Director has access to full information on the status of their directorate recommendations outstanding, and the Governance and Audit Committee receives and monitors the full recommendation tracker. The recommendation tracker is one source of information which informs the risk-based planning process.
302	Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	X Y			In place. All consulting engagements are recorded, monitored and reported in the same way as assurance engagements.
	2500 Conclusion				
	2600 Communicating the Acceptance of Risks				
303	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 Y			In place. The process as set out in the standard is followed, as necessary.
304	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 Y			
	2600 Conclusion				