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Assessment of compliance with UK Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN): Action Plan

Note: RAG Status:
Completed – Completed
Green – Certain to be completed
Amber – On track / expected to be achieved / no significant issues
Red – Off target / significant action required

PSIAS Ref.	Conformance Requirement	Assessment of compliance (PWC report)	RAG Status (PWC)	Comment on Current Position and Action Taken or Required	RAG Status (now)	Responsible Officer for Action	Date for completion
1000	***Purpose, Authority and Responsibility***						
1010(a)	The Internal Audit Charter should contain a formal definition of; the purpose, authority and responsibility of Internal Audit activity and that of the Board (Audit Committee) that is consistent with the PSIAS and LGAN.	Yes		n/a		n/a	n/a
1100	***Independence and Objectivity***						
1110 1111 1120 1130	The Chief Audit Executive (CAE) should have organisational independence to an appropriate level in the organisation that allows Internal Audit to fulfil its responsibilities and maintain its objectivity. Internal auditors must have an impartial unbiased attitude free from conflicts of interest that could impair judgement and objectivity.	Yes		n/a		n/a	n/a
1200	***Proficiency & Due Professional Care***						
1210(a)	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?	No		**Completed -** Job descriptions have been refreshed and re-issued as part of the Internal Audit restructure. This is now in the process of being implemented.		Head of Internal Audit	**Completed**

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1210(b)	Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	No		***Completed –*** *The service has introduced arrangements leading to a mixed model approach to delivery of specialist work, involving the use of contractors to meet gaps in specialised audit areas i.e. ICT and Children's / Adults' Social Care. A gap analysis has been carried out to identify staff training needs and actions are being prioritised for implementation.*		Head of Internal Audit	**Completed**
1210(c)	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?	No		**Completed –** As above in 1210(b)		Head of Internal Audit	**Completed**
1210(d)	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	Partial		The service has sufficient knowledge and expertise within the team, primarily through a CIPFA accredited investigator. An assessment of any development requirements for individuals and for the team as a whole has been completed as part of the PDR process and a programme of staff training topics has been formalised. This will be delivered via staff development / CPD sessions and will include the Corporate Fraud Risk Register.		Head of Internal Audit	Development needs complete Development sessions ongoing

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1210(e)	Do internal auditors have sufficient knowledge of key information technology risks and controls?	Partial		**Completed –** The service has a partnership arrangement with Leicester City Council for ICT Audit services, which provides an assessment of ICT risks and controls. In addition, a programme of staff training is planned to include ICT risks and controls.		Head of Internal Audit	**Completed**
1210(f)	Do internal auditors have sufficient knowledge of the appropriate Computer-Assisted Audit Techniques (CAATs) that are available to them to perform their work, including data analysis techniques?	Partial		An assessment of any development requirements for individuals and for the team as a whole has been completed as part of the PDR process and a programme of staff training topics has been formalised. This will be delivered via staff development / CPD sessions. This will include CAATs.		Head of Internal Audit	Development needs complete Development sessions ongoing
1220(a)	Do auditors exercise due professional care during each assigned engagement?	Partial		Improved scoping and review processes have been implemented to ensure 'due care' is applied to each piece of work. - Additionally, an assessment of any development requirements for individuals and for the team as a whole has been completed as part of the PDR process and a programme of staff training topics has been formalised. - This will be delivered via staff development / CPD sessions. In this respect, this will include the planning & execution of audits.		Head of Internal Audit	Development needs complete Development sessions ongoing

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1230(a)	Do internal auditors undertake a programme of Continuing Professional Development (CPD)?	Partial		Development requirements for individuals and for the team as a whole has been completed and a programme of staff training topics has been formalised. This will be delivered via staff development / CPD sessions.		Head of Internal Audit	Development needs complete Development sessions ongoing
1230(b)	Do internal auditors maintain a record of their professional development and training activities?	Partial		**Completed -** Each member of staff now maintains a personal CPD log.		Head of Internal Audit	**Completed**
1300	***Quality Assurance & Improvement Programme (QAIP)***						
1300(a) 1300(b) 1300(c)	Has the CAE developed a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated? Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement? Does the CAE maintain the QAIP?	No		Implementation of two actions plans (the PSIAS and PWC Action Plan) will significantly improve the Service's arrangements. Additionally, practical improvements to the review of audit assignments are in place, covering report and file reviews and performance management KPIs. The Head of Internal Audit will carry out a follow-up review following his arrival in October 2016.		Head of Internal Audit	31 December 2016
1310(a)	Does the QAIP include both internal and external assessments?	Partial		Internal quality assurance assessments will be carried out by the Head of Internal Audit on an ongoing basis (from July 16).		Head of Internal Audit	Ongoing self-assessment from July 2016

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				This update report represents an ongoing assessment that reflects recent external assessments by PWC and Veritau Ltd. Further periodic external reviews will be commissioned to conform with PSIAS.			External review by 31 December 2016
1311(a)	Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	Partial		**Completed –** We have produced an initial assessment of the skills and experience required to complete each piece of work in the Audit Plan. These will be assigned to relevant staff within the in-house team in accordance with their grade and experience, following approval of the audit plan. Where there are insufficient skills in-house, external resources will be procured to perform the relevant work, in line with the mixed model approach to delivery.		Head of Internal Audit	**Completed**
1311(b)	Does ongoing performance monitoring include comprehensive performance targets?	Partial		**Completed –** Performance targets are now included in all work allocated.		Head of Internal Audit	**Completed**
1311(c)	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	Partial		**Completed** - Performance targets will be refreshed. This is referred to in the Internal Audit Charter for approval by the Audit Committee (21 Sept 2016).		Head of Internal Audit	**Completed**

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1311(d)	Does ongoing performance monitoring include obtaining stakeholder feedback?	Partial		Customer surveys are sent along with all final reports issued by the service. In addition, we will carry out a periodic survey of Strategic Directors, Assistant Directors and M3 managers, including for the first time by the end of December 2016 to coincide with the external peer review (Veritau Ltd).		Head of Internal Audit	31 December 2016
1311(e)	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.	Partial		An external assessment was carried out by PWC and reported in February 2016. A follow-up external assessment will be completed by Veritau Ltd by December 2016. Further periodic external assessments will be commissioned to conform with PSIAS. See 1310(a) above.		Head of Internal Audit	31 December 2016
1311(f)	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	Partial		**Completed -** Internal Audit progress reports review and comment specifically on progress against the risk based audit plan.		Head of Internal Audit	**Completed**
1320(a)	Has the CAE reported the results of the QAIP to senior management and the board? Note that: - • The results of both external and periodic internal assessment must be communicated upon completion. • The results of ongoing monitoring must be communicated at least annually.	No		We have reported the results of the PWC assessment and ongoing self-assessment to the Audit Committee, including a recent review by Veritau Ltd (July 16). The results of future quality assurance reviews will be included		Head of Internal Audit	31 December 2016

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	• 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.			in Internal Audit progress reports and Annual Reports to the Audit Committee. See 1320(b)			& Annual Report April 2017
1320(b)	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	No		The QAIP will form part of future Internal Audit progress and Annual Reports, from 2016/17.		Head of Internal Audit	From July 2016 onwards, to Annual Report April 2017
1321	Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	Partial		The QAIP will form part of future Internal Audit progress and Annual Reports, from 2016/17.		Head of Internal Audit	From July 2016 onwards to Annual Report April 2017
1322(a)	Has the CAE reported any areas of non-conformance with PSIAS to the board?	No		**Completed –** This report highlights areas of non-conformance.		Head of Internal Audit	**Completed**
1322(b)	Has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	No		**Completed –** Although the PWC report highlighted a number of non-compliance matters, these were not included in the AGS because progress had been made in responding to them, as acknowledged by PWC, and reference may have undermined the significance of weaknesses in the Council's control environment found by Internal Audit, which were regarded to be more significant.		Head of Internal Audit	**Completed**

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2000	**Managing the Internal Audit Activity**						
2000(a)	Do the results of the internal audit activity's work achieve the purposes and responsibility of the activity, as set out in the internal audit charter?	No		**Completed -** the new style audit reports and audit conclusions explicitly relate the job objectives, which link to the audit plan and the Internal Audit Charter and Strategy.		n/a	**Completed**
2000(b)	Does the internal audit activity conform with the *Definition of Internal Auditing* and the *Standards*?	No		**Completed -** As above at 2000(a).		n/a	**Completed**
2000(c)	Does the internal audit activity add value to the organisation and its stakeholders by: - • Providing objective and relevant assurance? • Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes?	No		Explicit ways of approaching added value and recording and referencing outcomes will be considered and appropriate processes included in the audit approach. We have already revised the format of reports and levels of assurance given. Each audit brief will show how we intend to add value and the report will identify any extra assurance we have been able to provide.		Head of Internal Audit	30 September 2016
2010(a)	Does the risk-based plan take into account the organisation's assurance framework?	Partial		Known sources of assurance have been taken into account in determining the 2016/17 Internal Audit Plan. A fuller assurance mapping exercise to determine where reliance can be placed on other internal and external sources of assurance will be completed during 2016/17.		Head of Internal Audit	31 March 2017

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2010(b)	Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of: • How the internal audit service will be developed in accordance with the internal audit charter? • How the internal audit service links to organisational objectives and priorities?	No		**Completed -** The audit plan approach has considered risks in key service areas and makes reference to the corporate and service plans. Cross-reference to the plan will be made in the refresh of the Internal Audit Charter.		Head of Internal Audit	**Completed**
2010(c)	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?	No		**Completed -** The Council's Risk Management Framework has recently been refreshed and the audit planning process has considered the Council risk registers in their current form.		Head of Internal Audit	**Completed**
2010(d)	Does the risk-based plan set out the respective priorities of audit work to be carried out?	No		**Completed** – All audits within the Audit Plan are high priority. Limitations in audit resources preclude lower risk activities from inclusion in the plan.		Head of Internal Audit	**Completed**
2010(e)	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?	No		**Completed** – The Audit Plan is reviewed and adjusted periodically (see for example Feb 2016 progress report to Audit Committee).		Head of Internal Audit	**Completed**
2010(f)	In developing the risk-based plan, has the CAE also considered the requirement to use specialists, e.g. IT or contract and procurement auditors?	No		**Completed** – Internal Audit has procured external specialist resource to support delivery of the Audit Plan during 2015/16. This will continue into 2016/17.		Head of Internal Audit	**Completed**

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2010(g)	Is the input of senior management and the Audit Committee considered in the risk assessment process?	No		**Completed** – Senior management has been consulted in the preparation of the Audit Plan 2016/17 to ensure their views on risks have been taken into account in setting the plan. Senior management are more actively involved in producing the risk registers used in preparing the internal audit plans		Head of Internal Audit	**Completed**
2010(h)	Does the CAE identify and consider the expectations of senior management, the Audit Committee and other stakeholders for internal audit opinion and any other conclusions?	No		The audit approach will be broadened to encompass the requirements. All draft reports containing audit conclusions & overall opinion are issued to senior management & M3 managers for consideration.		Head of Internal Audit	30 September 2016
2010(i)	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?	No		**Completed** – Consulting engagements (e.g. review of Children's Services IT System 'Liquid Logic') has added value in this regard.		Head of Internal Audit	**Completed**
2010(j)	Are consulting engagements that have been accepted included in the risk-based plan?	No		**Completed** As above at 2010(i).		Head of Internal Audit	**Completed**
2030(a)	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	No		**Completed** – the Audit resource has been determined based on a new mixed model approach designed to ensure in-house staff are supplemented as necessary by specialists.		Head of Internal Audit	**Completed**

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				Together these will provide sufficient resource and expertise to complete a full audit programme over the course of the year to enable an opinion to be given at the end of the year on the Council's control environment.			
2030(b)	Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise abortive work and time?	Partial		**Completed -** All work in the audit plan is being allocated to available resources and will take into account optimum timing to avoid abortive work and maximise value added. These decisions will be made in conjunction with service management.		Head of Internal Audit	**Completed**
2040(a)	Has the CAE developed and put into place policies and procedures to guide the internal audit activity?	Partial		There is an internal audit manual. This will be fully reviewed and refreshed during 2016/17.		Head of Internal Audit	31 December 2016
2040(b)	Has the CAE established policies and procedures to guide staff in performing their duties in a manner than conforms to the PSIAS? Examples include maintaining an audit manual and/or using electronic management systems.	Partial		Development requirements for individuals and for the team as a whole has been completed and a programme of staff training topics has been formalised. This will be delivered via staff development / CPD sessions. The Internal Audit Manual will be updated and we have begun the process of procuring an electronic audit management system.		Head of Internal Audit	Development sessions ongoing 31 December 2016

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2040(c)	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	No		The Internal Audit Manual (policies and procedures) will be fully reviewed and refreshed during 2016/17. A programme of regular review will be established from 2017/18.		Head of Internal Audit	31 December 2016
2050(a) 2050(b) 2050(c)	Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources? Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?	No		Known sources of assurance have been taken into account in determining the 2016/17 Internal Audit Plan. A fuller assurance mapping exercise to determine where reliance can be placed on other internal and external sources of assurance will be completed during 2016/17.		Head of Internal Audit	31 March 2017
2100	**Nature of Work**						
2100(a)	Does the internal audit activity evaluate and contribute to the improvement of the organisation's governance, risk management and internal control processes?	No		These requirements are being integrated into job briefs requiring explicit consideration of governance and risk. See 2200(a)		Head of Internal Audit	31 December 2016
2100(b)	Does the internal audit activity evaluate and contribute to the improvement of the above using a systematic and disciplined approach and is this evidenced?	No		Application will be checked through the Quality Assurance / review processes. The revised Internal Audit Manual will set this out.		Head of Internal Audit	30 September 2016

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2110(a) 2110(b)	Does the internal audit activity: - • Ensure effective organisational performance management and accountability? • Communicate risk and control information to appropriate areas of the organisation? Does the internal audit activity assess and make appropriate recommendations for improving the governance process as part of accomplishing the above objectives?	No		We have completed work in Children's Services, but need to apply this approach across the Council. We will carry out further work on the Councils governance arrangements during 2016/17. We will periodically report on the control environment to SLT and quarterly to the Audit Committee to identify any areas where significant weaknesses have been found.		Head of Internal Audit	31 December 2016
2110(c)	Has the internal audit activity evaluated the: • Design • implementation, and • effectiveness of the organisation's ethics-related objectives, programmes and activities?	No		An assessment will be completed during 2016/17.		Head of Internal Audit	31 December 2016
2110(d)	Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	No		We have completed a piece of work around the Information Governance Toolkit, but will expand on this during 2016/17 by reviewing IT Governance arrangements; through our IT Audit arrangement with Leicester City Council.		Head of Internal Audit	31 December 2016
2110(e)	Has the CAE considered the proportionality of the amount of work required to assess the ethics and information technology governance of the organisation when developing the risk-based plan?	No		**Completed** – The 2016/17 IT risk assessment has led to the inclusion in the Internal Audit Plan of audit work on IT Governance & Ethics.		Head of Internal Audit	**Completed**

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2120(a)	Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that: - • Organisational objectives support and align with the organisation's mission? • Significant risks are identified and assessed? • Appropriate risk responses are selected that align risks with the organisation's risk appetite? • 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?	No		Each audit includes an assessment of risk management arrangements of the area under review. We will also carry out a review the Council's recently refreshed Risk Management Framework.		Head of Internal Audit	31 December 2016
2120(b)	Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the: • Achievement of the organisation's strategic objectives? • Effectiveness and efficiency of operations and programmes? • Safeguarding of assets? • Compliance with laws, regulations, policies, procedures and contracts?	No		A programme of review of the Council's governance arrangements, covering the areas listed will be drafted during 2016/17. Planned work includes; IT & Information Governance, FoI / HR (DBS) / BCP / AGS.		Head of Internal Audit	31 October 2016
2120(c)	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	Partial		**Completed** – We have developed a Fraud Risk Register (in draft).		n/a	**Completed**
2120(d)	Do internal auditors successfully avoid managing risks themselves, which would in effect lead to taking on management responsibility, when assisting management	No		**Completed -** We will maintain our independent assurance role and avoid taking on any management involvement/responsibility of those		n/a	**Completed**

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	in establishing or improving risk management processes?			areas under audit review.			
2130(a)	Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the: - • Achievement of the organisation's strategic objectives? • Effectiveness and efficiency of operations and programmes? • Safeguarding of assets? • Compliance with laws, regulations, policies, procedures and contracts? •	No		A programme of review of the Council's governance arrangements, covering the areas listed will be drafted during 2016/17. See 2120(b).		Head of Internal Audit	31 October 2016
2200	***Engagement Planning***			**All aspects of 'engagement planning' will be considered for inclusion in the revised Internal Audit Manual**			
2200(a)	Do internal auditors consider the following in planning an engagement, and is this documented: • The means by which the activity controls its performance? • The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?	Partial		**Completed –** Job briefs now require consideration of the organisation's arrangements.		n/a	**Completed**
2200(b)	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: -	No		Our arrangements/contracts with academies will be refreshed to formally include these requirements.		Head of Internal Audit	31 December 2016

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PSIAS Ref.	Conformance Requirement	Assessment of compliance (PWC report)	RAG Status (PWC)	Comment on Current Position and Action Taken or Required	RAG Status (now)	Responsible Officer for Action	Date for completion
	• 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)?						
2210(a) 2210(b)	Have internal auditors carried out a preliminary risk assessment of the activity under review? Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	Partial		**Completed** – These requirements are captured by the revised Audit Brief template recently introduced.		Head of Internal Audit	**Completed**
2210(c)	Have internal auditors considered the probability of the following, when developing the engagement objectives: - • Significant errors? • Fraud? • Non-compliance? • Any other risks?	No		**Completed** – the Audit planning file takes into account risk assessments which will include the probability of fraud, error and compliance.		Head of Internal Audit	**Completed**
2210(d)	Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether objectives and goals have been accomplished?	No		The Council is developing its service planning and performance frameworks. Internal Audit will assess the extent to which management has in place appropriate arrangements during 2016/17.		Head of Internal Audit	31 December 2016
2210(e)	If the value for money criteria have been referred to, has the use of all the organisation's main types of resources been considered; including money, people and assets?	Partial		**Completed -** Any assessment of VFM will include an assessment of all elements to confirm the Council considers these.		Head of Internal Audit	**Completed**

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2220(a)	Does the engagement scope include consideration of the following relevant areas of the organisation: • Records? • Premises?	Partial		**Completed** – the Audit planning file takes into account risk assessments which will include risks relating to records and property.		Head of Internal Audit	**Completed**
2220(b)	Does the engagement scope include consideration of the following relevant areas under the control of outside parties, where appropriate: • Records? • Premises?	Partial		**Completed** – the Audit planning file takes into account risk assessments relating to records and property, including any under the control of outside parties.		Head of Internal Audit	**Completed**
2240(a)	Have internal auditors developed and documented work programmes that achieve the engagement objectives?	Partial		**Completed** – Individual audit work programmes (briefs) are jointly scoped with the client in accordance with the detailed Audit Plan and agreed that the scope meets the planned objective(s).		Head of Internal Audit	**Completed**
2240(b)	Do the engagement work programmes include the following procedures for: - • Identifying information? • Analysing information? • Evaluating information? • Documenting information?	Partial		The scope of individual assignments will incorporate these principles. However, this will be developed further with Veritau Ltd and incorporated into the refreshed Internal Audit Manual		Head of Internal Audit	Completed From July 2016 31 December 2016
2240(c)	Were work programmes approved prior to implementation for each engagement?	Partial		**Completed** – The scope of individual assignments are approved before each engagement.		Head of Internal Audit	**Completed**
2240(d)	Were any adjustments required to work programmes approved promptly?	Partial		**Completed** – Changes to scope are reviewed and agreed immediately.		Head of Internal Audit	**Completed**

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PSIAS Ref.	Conformance Requirement	Assessment of compliance (PWC report)	RAG Status (PWC)	Comment on Current Position and Action Taken or Required	RAG Status (now)	Responsible Officer for Action	Date for completion
2300	**Performing the Engagement**			**All aspects of 'performing the engagement' will be considered for inclusion in the revised Internal Audit Manual**			
2320(a)	Have internal auditors remained alert to the possibility of the following: - • intentional wrongdoing • errors and omissions • poor value for money • failure to comply with management policy, and • conflicts of interest when performing their individual audits, and has this been documented?	No		**Completed -** Job briefs now include the requirement to be alert to these possibilities and to reach an explicit conclusion on them for each piece of work. This will be incorporated into the revised Internal Audit Manual and any future training sessions.		Head of Internal Audit	**Completed**
2330(a)	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?	Partial		**Completed -** Review and quality control procedures will ensure working papers meet required quality standards.		Head of Internal Audit	**Completed**
2330(b)	Has the CAE developed and implemented retention requirements for all types of engagement records?	No		Audit files/records are archived in accordance with the Council's Financial Regulations (Guidance Note 9 - Retention of Records). We will identify retention periods for specific types of Audit file and include this within the refreshed Internal Audit Manual.		Head of Internal Audit	31 December 2016

Appendix 1

Assessment of compliance with UK Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN): Action Plan

PSIAS Ref.	Conformance Requirement	Assessment of compliance (PWC report)	RAG Status (PWC)	Comment on Current Position and Action Taken or Required	RAG Status (now)	Responsible Officer for Action	Date for completion
2330(c)	Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	No		As above at 2330(b).		Head of Internal Audit	31 December 2016
2400	**Communicating Results**			**All aspects of 'communicating results' will be considered for inclusion in the revised Internal Audit Manual**			
2400(a)	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?	Partial		**Completed -** We will ensure any areas of disagreement are recorded in the Action Plan and any residual risk(s) referred to in the Executive Summary. This process will be documented in the revised Internal Audit Manual.		Head of Internal Audit	**Completed**
2420(a)	Are communications: - • Accurate? • Objective? • Clear? • Concise? • Constructive? • Complete? • Timely?	Partial		**Completed** – All audit reports now show a clear link between objectives & conclusions. We are planning further work on reporting and have already revised the presentation to provide a clearer assessment of audit opinion to management.		Head of Internal Audit	**Completed**
2430(a)	Do internal auditors report that engagements are *'conducted in conformance with the PSIAS'* only if the results of the QAIP support such a statement?	No		**Completed** – Procedures have been changed to ensure the statement will be added to internal audit reports when the Quality Assurance Improvement Programme confirms compliance with the standards.		Head of Internal Audit	**Completed**
2431(a)	Where any non-conformance with the PSIAS has impacted on a specific	No		**Completed** – requirement built into review and reporting procedures.		Head of Internal Audit	**Completed**

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PSIAS Ref.	Conformance Requirement	Assessment of compliance (PWC report)	RAG Status (PWC)	Comment on Current Position and Action Taken or Required	RAG Status (now)	Responsible Officer for Action	Date for completion
	engagement, do the communication of the results disclose the following: • The principle or rule of conduct of the *Code of Ethics* or *Standard(s)* with which full conformance was not achieved? • The reason(s) for non-conformance? • The impact of non-conformance on the engagement and the engagement results?						
2450(a)	Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	Partial		**Complete -** The audit opinion had been agreed by the Audit Committee and SLT.		Head of Internal Audit	**Completed**
2500	***Monitoring Progress***			**All aspects of 'monitoring progress' will be considered for inclusion in the revised Internal Audit Manual**			
2500(a)	A process should be in place to monitor and follow-up agreed actions (recommendations) to ensure implementation. Progress monitoring should inform risk-based planning of future audit work.	Yes		n/a		n/a	n/a