

## CEREDIGION COUNTY COUNCIL

**Report to:** Governance and Audit Committee

**Date of meeting:** 27 September 2023

**Title:** Internal Audit Self-Assessment 2022-23  
**Purpose of the report:** To provide assurance to Members of the Audit Committee re: the Internal Audit Service's compliance with the Public Sector Internal Audit Standards (PSIAS)

The PSIAS and CIPFA's Local Government Application Note supersede the 2006 Code for Internal Audit and came into force from April 2013. The PSIAS and Application Note must be complied with in order to ensure proper internal audit practices are applied.

The Application Note contains a checklist which has been developed to satisfy the requirements set out in PSIAS 1311 and 1312 for periodic self-assessments as part of the Quality Assurance and Improvement Program (QAIP). It incorporates the requirements of the PSIAS as well as the Application Note in order to give comprehensive coverage of both documents.

The completed self-assessment is attached in full, along with resulting improvement plan.

To highlight the key areas of change within the Self-Assessment for 2022-23, the areas identified for improvement reported to you in the 2021-22 Self-Assessment have been addressed and marked as 'conforms'. The remaining area is Std 1210: 5.3.1 Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?

As is regularly reported to GAC, the CMIA is currently studying for the IIA's Certificate in Internal Audit.

**Recommendation(s):** The Governance & Audit Committee notes the contents of the self-assessment

**Reasons for decision:** That the Governance & Audit Committee is satisfied that the Internal Audit Section is complying sufficiently with the PSIAS and Application Note in undertaking its duties in order to provide reliable assurance at year-end.

**Appendices:** Appendix 1 Internal Audit Self-Assessment

**Corporate Lead Officer:** Elin Prysor  
CLO-Legal and Governance / Monitoring Officer

**Reporting Officer:** Alex Jenkins  
Corporate Manager – Internal Audit

**Date:** 15 August 2023

Internal Audit Self-Assessment 2022/23

Questions to Consider			Evidence / Comments
1 Mission of Internal Audit			
<p>1.1 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?</p> <p><i>To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.</i></p>			<p>The IA Charter &amp; Annual Strategy states that the service aspires to accomplish the Mission of IA and sets out the IA service's position within the authority to ensure objectivity.</p> <p>The internal audit activity has regard to the Council's Corporate Strategy in its Business Plan which cascades down to the staff appraisal plans to ensure there is a focus on enhancing and protecting organisational value.</p> <p>The annual risk-based audit plan provides the activity's proposed work schedule for the year; the CMIA creates the plan by including areas to focus on risks identified in the Council's Corporate Risk Register (covering all red risks within a 2 year period), findings from Internal Audit's assurance map and an annual risk assessment. The plan also allows for a contingency where additional advice or consultancy is sought from services.</p>
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to Consider			Evidence / Comments
2 Definition of Internal Audit			
<p>2.1 Based on your review of conformance with other requirements of the PSIAS and LGAN, is the internal audit activity independent and objective?</p>			<p>The requirement for independence and objectivity is included in the Internal Audit Charter, which includes:</p> <ul style="list-style-type: none"> <li>Staff's requirement to declare any interest that may impact upon their objectivity in an annual written statement (as well as in accordance with the Council's corporate policy on the declaration and registration of hospitality and interests) to enable the Corporate Manager – Internal Audit (CMIA) to plan the allocation of work to avoid the risk of any conflict of interest;</li> </ul>

			<ul style="list-style-type: none"> <li>Any internal auditors appointed from within the Council are not permitted to perform an audit which is in any way related to their previous post, for at least 1 year after appointment to ensure objectivity is not impaired; also, the assignment of routine audit work is subject to annual rotation, where necessary.</li> </ul> <p>The CMIA reports functionally to GAC &amp; administratively to the CLO Legal &amp; Governance.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>2.2 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?</p>			<p>Internal audits are undertaken by following a specific 'audit program' of work required of each assignment. The program covers all areas of work to be covered. The areas of risk, controls and governance are included in the audit programs as appropriate to each assignment (determined by the CMIA). All audits are reviewed upon their completion by the CMIA, Audit Manager (AM) or Senior Auditor (SA) to ensure all the work required by the program has been undertaken to a satisfactory quality &amp; standard. Audit reports are issued in the CMIA's name.</p>
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to Consider	Evidence / Comments
3 Core principles	
<p>The Core Principles, taken as a whole, articulate internal audit effectiveness, and provide a basis for considering whether the review of conformance with the attribute standards and performance standards reflects full conformance, partial conformance or non-conformance with the PSIAS and the Local Government Application Note. In making this assessment, the assessor should have regard to positive evidence of conformance or non-conformance and the lack of evidence of non-conformance where positive evidence is difficult to obtain.</p>	

<p>Where there are instances of partial conformance or non-conformance in particular areas, you may need to make a judgment having regard to materiality and other factors in order to form a view on whether the internal audit activity conforms with a particular Core Principle. Any such judgments should be highlighted and explained.</p>	
<p><b>Demonstrates integrity</b></p>	
<p>3.1 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?</p>	<p>Internal Audit (IA) staff have regard to the Council's Employee Code of Conduct which is underpinned by the seven principles of public life. The work undertaken by the IA section is subject to scrutiny by the CMIA, AM or SA for completeness, correctness and quality assurance. Clear and concise working papers are required, as noted in the Audit Manual (updated May 2022). All findings and conclusions must be sufficiently evidenced. Any weaknesses discovered during the reviews are highlighted and discussed with the service audited.</p> <p>Staff have regard to the Council's Strategy to Counter-Fraud, Corruption &amp; Bribery (to include Anti-Money Laundering) ;and are aware of the procedures to be followed if they suspect any fraud or irregularities during the course of their work, as documented in the Audit Manual.</p> <p>IA staff sign an annual code of ethics affirmation to confirm they have read the PSIAS ethics requirements, have understood them, and agree to comply with them.</p> <p>Ethics &amp; Counter Fraud training was presented to Managers in 2021 – this was also delivered by the CMIA to IA staff. New e-module has been completed and is now in development with Learning &amp; Development to be released as a mandatory learning module for all staff.</p>

			The IA section has regard to and contributes to the Council's corporate objectives by enhancing and protecting organisational value by providing risk-based and objective assurance, advice & insight.
CONFORMS	PARTIAL	NOT CONFORMING	
<p><b>Demonstrates competence and due professional care</b></p> <p>3.2 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?</p>			<p>Each IA review is allocated to staff based on each auditor's knowledge, skills and experience. Every member of staff is aware of the PSIAS requirements, as well as the IA Charter and Audit Manual, updated May 2022 to ensure services are performed in accordance with set standards. All IA members of staff comply with the Council's Corporate Appraisal scheme, which requires the continuous enhancement of knowledge, skills and competencies (to incl mandatory training modules). In addition all auditor's must sign an annual affirmation that they are aware of and comply with the PSIAS Code of Ethics. New staff provided with IA induction as well as corporate induction &amp; sent on CIPFA's 'Intro to Audit' training course to ensure awareness of requirements of PSIAS Code of Ethics &amp; Seven Principles of Public Life. Those who are members of professional bodies also conform to those bodies' CPD requirements. Weekly team meetings are held to discuss IA workload and other issues, which are supported by periodic one-to-one meetings with the CMIA. Quality control questionnaires are sent to auditees to request feedback re the service provided. QCQ are circulated at the end of each quarter.</p> <p><u>Competency:</u> Where an audit requires specialist knowledge these are outsourced to ensure competency.</p> <p><u>Due professional care:</u> Review of audit engagements by CMIA, AM or SA.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p><b>Is objective and free from undue influence (independent)</b></p>			The requirement for independence and objectivity is included in the Internal Audit Charter, which notes:

<p>3.3 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 activity fully conforms with the PSIAS and LGAN by being objective and free from undue influence (independent)?</p>	<ul style="list-style-type: none"> <li>• Staff's requirement to declare any interest that may impact upon their objectivity in an annual written statement (as well as in accordance with the Council's corporate policy on the declaration and registration of hospitality and interests) to enable the Corporate Manager – Internal Audit (CMIA) to plan the allocation of work to avoid the risk of any conflict of interest;</li> <li>• Any internal auditors appointed from within the Council are not permitted to perform an audit which is in any way related to their previous post, for at least 1 year after appointment to ensure objectivity is not impaired; also, the assignment of routine audit work is subject to annual rotation, where necessary. CMIA reports administratively to CLO L&amp;G and functionally to GAC</li> </ul>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p><b>Aligns with the strategies, objectives, and risks of the organisation</b></p>		
<p>3.4 Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being aligned with the strategies, objectives, and risks of the organisation?</p>	<p>The internal audit activity has regard to the Council's Corporate Strategy in its Business Plan which cascades down to the staff appraisal plans to ensure there is a focus on enhancing and protecting organisational value.</p> <p>The annual risk-based audit plan provides the activity's proposed work schedule for the year; the CMIA creates the plan by including areas to focus on risks identified in the Council's Corporate Risk Register (covering all red risks within a 2 year period), findings from Internal Audit's assurance map and an annual risk assessment. The plan also allows for a contingency where additional advice or consultancy is sought from services.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p><b>Is appropriately positioned and adequately resourced</b></p>		
<p>3.5 Based on your review of conformance with standards, do you</p>	<p>The CMIA's position in the Council allows her to have regular and open engagement across the Council, to include the Leadership Group (LG) and</p>	

consider that the internal audit activity fully conforms with the PSIAS and LGAN by being appropriately positioned and adequately resourced?			GAC; and individual members of each. (5.2.1)  The annual audit strategy and plan is presented to GAC for approval, which includes the annual operational plan and its resource requirement. The service's structure was amended in 2022 to include a Governance & Audit Assistant Post in April 2022 (6.1.9) All posts were filled putting IA at full capacity from June 2022.
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Demonstrates quality and continuous improvement</b>			
3.6 Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating quality and continuous improvement?			IA has a QAIP which is reported upon in the CMIA's Annual (end of year) Report to GAC. The QAIP covers all aspects of IA, to include annual self-assessments and 5-yearly external assessment to check conformance to PSIAS and LGAN. EQA was completed in 22/23 by Ynys Mon. The results from the QAIP form the basis of IA's improvement plan for the following year. Improvement plan is reported quarterly in the IA progress reports to GAC. KPIs are monitored and reported to GAC.
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Communicates effectively</b>			
3.7 Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by communicating effectively?			The CMIA has free and unfettered access to the Leadership Group, GAC, managers and Members. Engagements and results are communicated effectively to clients, either by report, memo or email. Quarterly progress reports are presented to GAC and provided to the Chief Executive and Strategic Directors. Progress reports highlight work completed by IA during the quarter, the assurance level provided for each, actions required and the associated priority levels to ensure that all levels of management are communicated on risks & assurances.
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Provides risk-based assurance</b>			

<p>3.8 Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by providing risk-based assurance, based on adequate risk assessment?</p>			<p>All assurance, advice &amp; insight provided is risk-based, objective and evidenced. The internal audit plan is created by including risks from the Corporate Risk Register alongside an annual risk assessment undertaken by the CMIA. The IA service also maintains an assurance map which is reviewed and updated regularly to identify areas that require additional assurance. The Annual IA plan is flexible (includes contingency days) allowing for adaptation to changing risks.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p><b>Is insightful, proactive, and future-focused</b></p>			<p>IA has regards to the Corporate Strategy during any planning which contains the Council's corporate vision, priorities and well-being objectives, in order to align them with the service provision.</p>
<p>3.9 Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being insightful, proactive, and future-focused?</p>			
CONFORMS	PARTIAL	NOT CONFORMING	
<p><b>Promotes organisational improvement</b></p>			<p>Management actions are provided to an activity if any weaknesses are detected during a review in its governance, risk management and control processes. Any deemed fundamental or significant are reported to GAC, the Chief Executive &amp; Strategic Directors. Management actions are monitored and a management action report is presented to GAC every 6 months. The internal audit plan includes consulting engagements and contingency days are included in the plan to accommodate management requests during the year.</p>
<p>3.10 Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by promoting organisational improvement?</p>			
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to Consider	Evidence / Comments
4 Code of Ethics	
<b>Integrity</b>	



<p>4.1 Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display integrity by:</p> <ul style="list-style-type: none"> <li>• Performing their work with honesty, diligence and responsibility/</li> <li>• Observing the law and making disclosures expected by the law and the profession?</li> <li>• Not knowingly partaking in any illegal activity nor engaging in acts that are discreditable to the profession of internal auditing or to the organisation?</li> <li>• Respecting and contributing to the legitimate and ethical objectives of the organisation?</li> </ul>	<p>Internal Audit (IA) staff have regard to the Council's Employee Code of Conduct which is underpinned by the seven principles of public life. The work undertaken by the IA section is subject to scrutiny by the CMIA, AM or SA for completeness, correctness and quality assurance. Clear and concise working papers are required, as noted in the Audit Manual. All findings and conclusions have to be sufficiently evidenced. Any weaknesses discovered during the reviews are highlighted and discussed with the service being audited.</p> <p>Staff have regard to the Council's Strategy to Counter-Fraud, Corruption &amp; Bribery (to include Anti-Money Laundering); and are aware of the procedures to be followed if they suspect any fraud or irregularities during the course of their work, as documented in the Audit Manual. IA staff sign an annual code of ethics affirmation to confirm they have read the PSIAS ethics requirements, have understood them, and agree to comply with them.</p> <p>The IA section has regard to and contributes to the Council's corporate objectives by enhancing and protecting organisational value by providing risk-based and objective assurance, advice &amp; insight.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p><b>Objectivity</b></p>		
<p>4.2 Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display objectivity by:</p> <ul style="list-style-type: none"> <li>• Not taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment?</li> <li>• Not accepting anything that may impair or be presumed to impair their professional judgement?</li> <li>• Disclosing all material facts known to them that, if not disclosed, may</li> </ul>	<p>The requirement for independence and objectivity is included in the Internal Audit Charter, which includes:</p> <ul style="list-style-type: none"> <li>• Staff's requirement to declare any interest that may impact upon their objectivity in an annual written statement (as well as in accordance with the Council's corporate policy on the declaration and registration of hospitality and interests) to enable the CMIA to plan the allocation of work to avoid the risk of any conflict of interest;</li> </ul>	

<p>distort the reporting of activities under review?</p>			<ul style="list-style-type: none"> <li>Any internal auditors appointed from within the Council are not permitted to perform an audit which is in any way related to their previous post, for at least 1 year after appointment to ensure objectivity is not impaired; also, the assignment of routine audit work is subject to annual rotation, where necessary.</li> </ul> <p>All audits are independently reviewed prior to circulation to ensure work is undertaken to a satisfactory standard, to include the disclosure of all material facts known, as appropriate. These are supported by evidence.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p><b>Confidentiality</b></p> <p>4.3 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> <ul style="list-style-type: none"> <li>Acting prudently when using information acquired in the course of their duties and protecting that information?</li> <li>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?</li> </ul>			<p>Most information collected is electronic, which is saved in auditors' individual files.</p> <p>All members of IA staff now work remotely from their homes per the Council's Interim Hybrid Working Policy, have read the Council's guidance and have received training on Information Security, Data Protection and the General Data Protection Regulation.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p><b>Competency</b></p> <p>4.4 Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display competence by:</p> <ul style="list-style-type: none"> <li>Only carrying out services for which they have the necessary knowledge, skills and experience?</li> <li>Performing services in accordance with the PSIAS?</li> <li>Continually improving their proficiency and effectiveness and</li> </ul>			<p>Each IA review is allocated to staff based on each auditor's knowledge, skills and experience. Every member of staff is aware of the PSIAS requirements, as well as the IA Charter and Audit Manual, to ensure services are performed in accordance with set standards.</p> <p>All IA members of staff comply with the Council's Corporate Appraisal scheme, which requires the continuous enhancement of knowledge, skills and competencies (to incl mandatory</p>

quality of their services, for example through CPD schemes?			training modules). Three members of staff are currently studying to achieve an IIA qualification. Those who are members of professional bodies also conform to those bodies' CPD requirements. Weekly team meetings are held to discuss IA workload and other issues, which are supported by periodic one-to-one meetings with the CMIA.
CONFORMS	PARTIAL	NOT CONFORMING	
<b>Seven Principles of Public Life</b>			All IA staff have regard to the Committee on Standards of Public Life's Seven Principles of Public Life as they underpin the Council's Employee Code of Conduct.
4.5 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> ?			
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to Consider	Evidence / Comments	
<b>Standards</b>		
5 Attribute Standards		
5.1 1000 Purpose, Authority and Responsibility		
The questions in this section seek to confirm that the purpose, authority and responsibility of the internal audit activity have been properly defined consistent with the PSIAS, formally approved in an internal audit charter and periodically reviewed.		
5.1.1 Does the internal audit charter conform with the PSIAS by including a formal definition of: <ul style="list-style-type: none"> <li>The purpose</li> <li>The authority, and</li> <li>The responsibility</li> </ul> Of the internal audit activity consistent with the Public Sector Internal Audit Standards (PSIAS)?	The IA Charter defines IA's purpose; its authority and right of access within the Council and with third parties; and the scope of its responsibilities. The right of access is also included as part of the Financial Regs in the Council's Constitution.	
CONFORMS	PARTIAL	NOT CONFORMING
5.1.2 Does the internal audit charter conform with the PSIAS by clearly and appropriately defining the terms 'board'	The IA Charter defines the GAC as the 'Board' for the purposes of IA activity and the LG as 'senior management'.	

<p>and 'senior management' for the purposes of the internal audit activity? Note that it is expected that the audit committee will fulfil the role of the board in the majority of instances.</p>		
CONFORMS	PARTIAL	NOT CONFORMING
<p>5.1.3 Does the internal audit charter also:</p> <ul style="list-style-type: none"> <li>• Set out the internal audit activity's position within the organisation?</li> <li>• Establish the chief audit executive's (CAE) functional reporting relationship with the board?</li> <li>• 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.</li> <li>• 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?</li> <li>• 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?</li> <li>• Define the scope of internal audit activities?</li> <li>• Recognise that internal audit's remit extends to the entire control environment of the organisation?</li> <li>• Establish the organisational independence of internal audit?</li> <li>• Cover the arrangements for appropriate resourcing?</li> <li>• Define the role of internal audit in any fraud-related work?</li> <li>• Set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, requiring the CAE to be notified of all</li> </ul>	<p>The IA Charter:</p> <ul style="list-style-type: none"> <li>• Notes IA's position within the Legal &amp; Governance services;</li> <li>• Confirms the CMIA's functional reporting relationship with the GAC;</li> <li>• Confirms the CMIA's administrative reporting relationship with the Corporate Lead Officer – Legal &amp; Governance / Monitoring Officer;</li> <li>• Notes the GAC's responsibility with regards to IA, (as per its Terms of Reference) and that the CMIA has unrestricted access to, and freedom to report without fear or favour to, all levels of management and elected Members;</li> <li>• Stipulates IA's authority and right of access as per the Council's Financial Regulations and Accompanying Financial procedures which form part of the Constitution;</li> <li>• Defines the scope of IA's assurance and consultancy work;</li> <li>• Confirms that IA's remit extends to the entire control environment of the Council;</li> <li>• Notes how IA achieves and maintains its independence;</li> <li>• States how resource requirements are measured to ensure effective achievement of the annual audit plan;</li> <li>• Notes IA's role when any fraud or irregularities are discovered, as per the Council's Strategy to Counter-Fraud, Bribery and Corruption Strategy (to include Anti-Money Laundering); including that staff should report their concerns or suspicions to IA, as per the Council's Strategy on Counter-Fraud, Bribery</li> </ul>	

<p>suspected or detected fraud, corruption or impropriety?</p> <ul style="list-style-type: none"> <li>• Include arrangements for avoiding conflicts of interest if internal audit or the CAE undertakes non-audit activities?</li> <li>• Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?</li> <li>• Define the nature of consulting services?</li> <li>• Recognise the mandatory nature of the PSIAS?</li> </ul>	<p>and Corruption Strategy (to include Anti-Money Laundering);</p> <ul style="list-style-type: none"> <li>• Confirms IA staff avoid undertaking operational duties, to ensure impartial and effective professional judgements and decisions are made at all times;</li> <li>• Confirms IA provides independent, objective and reasonable assurance to management and Members that arrangements are in place and are operating effectively, and that the annual IA opinion on assurance is based upon IA's findings from all the audit reviews undertaken during each year. This opinion supports the Annual Governance Statement;</li> <li>• States that the IA section contributes to the achievement of the Council's objectives by providing an advice and consulting activity to services; and</li> <li>• Outlines the mandatory nature of the Standards.</li> </ul>	
CONFORMS	PARTIAL	NOT CONFORMING
<p>5.1.4 Does the CAE periodically review the internal audit charter and present it to senior management and the board for approval?</p>		
CONFORMS	PARTIAL	NOT CONFORMING
<p>The original IA Charter was approved by Audit Committee on 16/5/13. It is reviewed annually by the CMIA and the last update was approved in January 2023.</p>		
<p>5.2 1100 Independence and Objectivity</p>		
<p>The questions in this section seek to confirm that the internal audit activity is independent and internal auditors are objective in performing their work.</p>		
<p>5.2.1a) Does the CAE have direct and unrestricted access to senior management and the board? 5.2.1b) 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?</p>		
CONFORMS	PARTIAL	NOT CONFORMING
<p>The CMIA has unrestricted access to, and freedom to report without fear or favour to, all levels of management and Members (to include the Chief Executive and the Chair of the Audit Committee), as per the IA Charter and as documented in CIPFA's 'Putting Principles into Practice' document.</p>		
<p>5.2.2a) Does the CAE attend audit committee meetings? 5.2.3b) Does the CAE contribute to audit committee agendas?</p>		
<p>The CMIA and/or a representative attends each meeting of the GAC (Hybrid meetings, can either attend online or in person.).</p>		

			The CMIA contributes the IA Charter and any reviews; Annual Audit Strategy and Plan; Quarterly Progress Reports; Annual (EOY) Reports <b>which includes the results of the</b> Annual Self-Assessments plus, Annual Counter Fraud Report, Management Action Reports any other appropriate documents; or reports that the Governance and Audit Committee has requested.
CONFORMS	PARTIAL	NOT CONFORMING	
<p>5.2.3 Are threats to objectivity identified and managed at the following levels:</p> <ul style="list-style-type: none"> <li>• Individual auditor?</li> <li>• Engagement?</li> <li>• Functional?</li> <li>• Organisation?</li> </ul>			<ul style="list-style-type: none"> <li>• All individual auditors are required to declare any interest that may impact upon their objectivity in an annual written statement;</li> <li>• The CMIA plans engagements to avoid any identified threats to objectivity by considering the annual declarations.</li> <li>• Functionally, any internal auditors appointed from within the Council are not permitted to perform an audit which is in any way related to their previous post, for at least 1 year after appointment to ensure objectivity is not impaired; also, the assignment of routine audit work is subject to annual rotation, where necessary;</li> <li>• All members of staff within the Council are required to comply with the corporate policy on the declaration and registration of hospitality and interests for which a quarterly reminder is circulated.</li> </ul>
CONFORMS	PARTIAL	NOT CONFORMING	
<i>1110 Organisational Independence</i>			
This subsection seeks to confirm that reporting and management arrangements been put in place that preserve the CAE's independence and objectivity.			

This is of particular importance when the CAE is line-managed by another officer of the authority.		
<p>5.2.4a) Does the CAE report to an organisational level equal or higher to the corporate management team?</p> <p>5.2.4b) Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?</p>		
<p>The CMIA reports organisationally to the CLO – Legal and Governance Services. The CLOs report to the Corporate Directors &amp; CE. All form the LG.</p> <p>This does not impair on the CMIA’s independence as she has unrestricted access to, and freedom to report without fear or favour to, all levels of management and Members (to include the Chief Executive and the Chair of the Governance and Audit Committee), as per the IA Charter and as documented in CIPFA’s ‘Putting Principles into Practice’ document.</p> <p>Audit reports primarily communicate to management an independent and objective opinion on the governance, risk and controls on the area within their responsibility, and prompt implementation of corrective actions to strengthen / improve systems / controls within the service audited. The risk associated with each management action is identified in the action plan. If the CMIA decides that the service has accepted a level of risk that may be unacceptable to the Council, the CMIA will discuss this with senior management and may also bring it to the attention of the Governance and Audit Committee.</p> <p>The CMIA’s position in the Council therefore allows her to have regular and open engagement across the Council, to include the LG &amp; GAC.</p>		
CONORMS	PARTIAL	NOT CONFORMING
<p>5.2.5 Does the CAE’s position in the management structure:</p> <ul style="list-style-type: none"> <li>• Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board?</li> <li>• Ensure that he or she is sufficiently senior and independent to be able to provide credibility constructive challenge to senior management?</li> </ul>		
<p>The CMIA has unrestricted access to, and freedom to report without fear or favour to, all levels of management to include the Chief Executive; and is encouraged to provide reports and presentations to the LG meetings. This support is fundamental as a way of ensuring the role is undertaken effectively; and provides confidence to the CMIA when challenging managers that required actions and</p>		

			recommendations will be addressed, and the knowledge that any escalated concerns will be dealt with, prior to the need to refer to GAC.
CONFORMS	PARTIAL	NOT CONFORMING	
5.2.6 Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent?			The CMIA sets-out how independence is achieved in the Annual (end of year) Report to GAC.
CONFORMS	PARTIAL	NOT CONFORMING	
5.2.7a) Is the organisational independence of internal audit realised by functional reporting by the CAE to the board?			IA is organisationally independent as the CMIA reports functionally to the GAC. Factors to support this include the Governance and Audit Committee:
5.2.7b) The 'Interpretation' to PSIAS 1110 provides examples of factors which may indicate that the CAE reports functionally to the Board, which include where the board:			<ul style="list-style-type: none"> <li>• Approving the IA Charter;</li> <li>• Approving the annual risk-based audit strategy and plan;</li> <li>• Approving the resource plan (which forms part of the audit plan);</li> <li>• Reporting IA's activity, performance and improvement on a quarterly and annual basis; and</li> <li>• Providing assurance on scope and resource levels.</li> </ul>
<ul style="list-style-type: none"> <li>• Approves the internal audit charter</li> <li>• Approves the risk-based audit plan</li> <li>• Approves the internal audit budget and resource plan</li> <li>• Receives communications from the CAE on the activity's performance (in relation to the plan, for example)</li> <li>• Approves decisions relating to the appointment and removal of the CAE</li> <li>• Approves the remuneration of the CAE</li> <li>• Seeks reassurance from management and the CAE as to whether there are any in appropriate scope or resource limitations.</li> </ul>			<p>As is general practice in the UK public sector, the GAC does not approve the CMIA's remuneration.</p> <p>To ensure the CMIA is safeguarded and that her remuneration and/or performance is not inappropriately influenced by those subject to audit:</p> <ul style="list-style-type: none"> <li>• The CMIA's position in the Council is noted in the IA Charter;</li> <li>• Any amendments to the CMIA's position is noted in the Annual (end of year) Report, and the IA Charter updated accordingly; and</li> <li>• The CMIA's performance appraisal is undertaken by the CLO – Legal &amp; Governance / Monitoring Officer.</li> </ul>
The Public Sector Interpretation to PSIAS 1110 notes that board approval of CAE remuneration does not generally happen in the UK public sector, and that the underlying principle is therefore that the independence of the CAE must be safeguarded by ensuring that their remuneration or performance assessment is not inappropriately influenced by those subject to audit. EQA assessors should therefore consider whether adequate steps are taken to safeguard the independence of the CAE by ensuring that remuneration or performance assessment is not			



inappropriately influenced by those subject to audit. This might for example reflect some involvement of the chief executive in the performance assessment process or feedback from the audit committee chair.			
CONFORMS	PARTIAL	NOT CONFORMING	
<i>1111 Direct Interaction with the Board</i>			
5.2.8 Does the CAE communicate and interact directly with the board?			The CMIA has free and unfettered access to the Chief Executive and those sitting on the LG, and is encouraged to provide reports and presentations at the group's meetings. This support is fundamental as a way of ensuring the role is undertaken effectively. LG actively encourages lead officers to invite the CMIA to their managers' meetings and other events such as workshops and head teachers' training days to discuss how IA can add value to their services. CMIA has direct access to Chair of GAC and has quarterly meetings with the Chair and Deputy Chair.
CONFORMS	PARTIAL	NOT CONFORMING	
<i>1112 Chief Audit Executive Roles Beyond Internal Auditing</i>			
5.2.9a) 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?			N/A – the CMIA does not have any roles or responsibilities that fall outside of internal auditing.
5.2.9b) Does the board periodically review these safeguards?			
CONFORMS	PARTIAL	NOT CONFORMING	
<i>1120 Individual Objectivity</i>			
5.2.10 Do internal auditors have an impartial, unbiased attitude?			All audit decisions or opinions provided are impartial and unbiased and based on proven facts available. Evidence is collected to support all decisions and opinions.
CONFORMS	PARTIAL	NOT CONFORMING	

			Engagements are reviewed by either CMIA, AM or SA.
5.2.11 Do internal auditors avoid any conflict of interest, whether apparent or actual?			Staff are required to declare any potential conflict of interest in an annual declaration to the CMIA. The CMIA allocates work taking this into account as well as past duties performed within the Council and IA service. If anything arises during an audit, work can be re-allocated.
CONFORMS	PARTIAL	NOT CONFORMING	
<i>1130 Impairment to Independence or Objectivity</i>			
5.2.12 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)?			N/A – no impairment identified.
CONFORMS	PARTIAL	NOT CONFORMING	
5.2.13 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?			As stated in the IA Charter, any internal auditors appointed from within the Council are not permitted to perform an audit which is in any way related to their previous post, for at least 1 year after appointment to ensure objectivity is not impaired.
CONFORMS	PARTIAL	NOT CONFORMING	
5.2.14 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?			N/A – the CMIA does not have any roles or responsibilities that fall outside of internal auditing. The CMIA is the Governance Officer's line manager, but only on an administrative basis. Operational work is provided, monitored and managed by the Monitoring Officer.
CONFORMS	PARTIAL	NOT CONFORMING	
5.2.15 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?			As stated in the IA Charter, the assignment of routine audit work is subject to annual rotation.
CONFORMS	PARTIAL	NOT CONFORMING	

5.2.16 Have internal auditors declared interests in accordance with organisational requirements?	As stated in the IA Charter, auditors are required to declare any interest that may impact upon their objectivity in an annual written statement (as well as in accordance with the Council's corporate policy on the declaration and registration of hospitality and interests).	
CONFORMS	PARTIAL	NOT CONFORMING
5.2.17 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?	N/A – no gifts, hospitality, inducements or other benefits from employees, clients, suppliers or other third parties received (but staff are aware of Council policy if any items were offered).	
CONFORMS	PARTIAL	NOT CONFORMING
5.2.18 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?	Confirmed – no instances have been identified where an internal auditor has used information obtained during the course of duties for personal gain.	
CONFORMS	PARTIAL	NOT CONFORMING
5.2.19 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?	All audits are independently reviewed prior to circulation to ensure work is undertaken to a satisfactory standard, to include the disclosure of all material facts known, as appropriate.	
CONFORMS	PARTIAL	NOT CONFORMING
5.2.20 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?	N/A – no impairment identified.	
CONFORMS	PARTIAL	NOT CONFORMING
5.2.21 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?	GAC acknowledges that the audit plan is flexible and have agreed that the CMIA is permitted to periodically review and amend the plan in response to any developments and initiatives which are deemed relevant. The annual operational audit plan contains contingency days for such work. Any amendments are included in regular progress reports to GAC.	
CONFORMS	PARTIAL	NOT CONFORMING

### 5.3 1200 Proficiency and Due professional Care

This section seeks to confirm that engagements are performed with proficiency and due professional care, having regard to the skills and qualifications of the CAE and their staff, and how they exercise their capability in practice.

#### 1210 Proficiency

5.3.1 Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?

CONFORMS    PARTIAL    NOT CONFORMING

The CMIA is currently studying for the IIA's Certificate in Internal Audit and is committed to progressing with further qualifications once obtained.

5.3.2 Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?  
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?

CONFORMS    PARTIAL    NOT CONFORMING

The CMIA is responsible for recruiting appropriate staff, in accordance with the Council's HR policies and processes (using the Ceri system) who have the required knowledge, qualifications, competencies, skills, experience and personal attributes required to deliver the audit service.  
As a result of a corporate restructure all job descriptions and person specifications were updated and job evaluated during 2018/19 or 2019/20. The CMIA post became effective from 1/1/19, whilst the remainder of the posts were in place from 4/5/19, 1/11/20 and 13/06/22.  
All posts are independently job-evaluated.

5.3.3 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?  
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?

CONFORMS    PARTIAL    NOT CONFORMING

Experience and qualifications are considered at recruitment by the compilation of skills matrices. Further training and development needs are considered during staff appraisals, to include professional bodies' CPD requirements where appropriate. Three members of staff are currently studying to achieve an IIA qualification. In the past, where specialist skills and knowledge such as ICT audit are not available in the section, this service has been obtained from other accountancy bodies or neighbouring LAs. The AM received training and development from Mindgrove to address this requirement during 2019/20.

5.3.4 Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	All staff are familiar with the Council's Strategy on Counter-fraud, Bribery and Corruption (to include Anti-Money Laundering); and are aware of the actions to take if any irregularity is suspected. The CMIA and the Senior Auditor holds the Accredited Counter Fraud Technician qualification. The AM holds CIPFA's Certificate in Investigative Practices.		
CONFORMS	PARTIAL	NOT CONFORMING	
5.3.5 Do internal auditors have sufficient knowledge of key information technology risks and controls?	IA staff have sufficient knowledge of key risks and controls regarding information, its security and the ICT environment; however, additional assistance has been obtained in the past where a more in-depth knowledge of computerised systems is needed. The AM received training and development from Mindgrove to address this requirement during 2019/20.		
CONFORMS	PARTIAL	NOT CONFORMING	
5.3.6 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?	Two members of staff received training in CAATS. The Section places reliance on the results of AW's annual NFI data-matching exercise. Active Data was also acquired during 2019/20 which is used for sampling as well as data matching audits.		
CONFORMS	PARTIAL	NOT CONFORMING	
<i>1220 Due Professional Care</i>			
5.3.7 Do internal auditors exercise due professional care by considering the: <ul style="list-style-type: none"> <li>• Extent of work needed to achieve the engagement's objectives?</li> <li>• Relative complexity, materiality or significance of matters to which assurance procedures are applied?</li> <li>• Adequacy and effectiveness of governance, risk management and control processes?</li> <li>• Probability of significant errors, fraud, or non-compliance?</li> <li>• Cost of assurance in relation to potential benefits?</li> </ul> In doing the above, internal auditors must also consider how technology-based audit and other data analysis techniques can provide assurance.	<ul style="list-style-type: none"> <li>• The scope of each audit is determined prior to its commencement. An audit program and scoping document is compiled for each review, which ensures the objective of the audit is achieved.</li> <li>• The CMIA ensures auditors have the necessary knowledge &amp; skills when considering the allocation of work and complexity, etc of systems.</li> <li>• The audit programme includes the appropriate review of governance, risk management and control processes according to audit objective and Corporate Priorities.</li> <li>• The audit plan is risk-assessed which takes account of probability of significant errors, etc during its</li> </ul>		

	<p>compilation. These matters are also considered when new audits / consultations are requested during the year which would require the re-prioritisation of work. Staff are aware of the procedures to be followed if they suspect any fraud or irregularities, as documented in the IA Charter.</p> <ul style="list-style-type: none"> <li>• Cost of assurance / benefit is considered according to its feasibility and any perceived risks.</li> </ul>	
CONFORMS	PARTIAL	NOT CONFORMING
<p>5.3.8 Do internal auditors exercise due professional care during a consulting engagement by considering the:</p> <ul style="list-style-type: none"> <li>• Needs and expectations of clients, including the nature, timing and communication of engagement results?</li> <li>• Relative complexity and extent of work needed to achieve the engagement's objectives?</li> <li>• Cost to the consulting engagement in relation to potential benefits?</li> </ul>	<ul style="list-style-type: none"> <li>• Consulting engagements are considered on a case-by-case basis. Work is undertaken in accordance with the brief agreed with a client to ensure maximum benefit of the review (unless any weaknesses and/or irregularities are discovered which would require further investigation). Results are provided in the most effective and efficient manner eg an email or memo may be more appropriate than a report for less significant advisory consultations.</li> <li>• The CMIA ensures auditors have the necessary knowledge &amp; skills when considering the allocation of work and complexity, etc of systems, to ensure the best outcome. The scope of each review is agreed prior to its commencement which ensures the objective of the consultation is achieved.</li> <li>• Cost of assurance / benefit is considered according to its feasibility and any perceived risks.</li> </ul>	
CONFORMS	PARTIAL	NOT CONFORMING
<p><i>1230 Continuing Professional Development</i></p>		
<p>5.3.9 Has the CAE defined the skills and competencies for each level of auditor? And</p>	<p>The required skills and competencies are outlined upon recruitment by the job description and person specification</p>	

Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	appropriate to each post. Each candidate is evaluated against a skills matrix. Skills are regularly formally monitored via the Council's corporate appraisal procedures; and informally during the year during the audit review process.	
CONFORMS	PARTIAL	NOT CONFORMING
5.3.10 Do internal auditors undertake a programme of continuing professional development? And Do internal auditors maintain a record of their professional development and training activities?	All auditors record their training and development needs and achievements on the Ceri system. This is considered during the annual appraisal process, where any further training and development needs are identified and addressed. Annual training logs are also submitted to the CMIA to ensure auditor's skills and knowledge is kept up to date.	
CONFORMS	PARTIAL	NOT CONFORMING
5.4 1300 Quality Assurance and Improvement Programme		
The questions in this section seek to confirm that the CAE has developed and maintained a Quality Assurance and Improvement Programme (QAIP) through which conformance with the PSIAS can be and is properly assessed.		
5.4.1 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? Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement? Does the CAE maintain the QAIP? Are any statutory requirements for review of the internal audit activity satisfied?	IA has a QAIP which is reported upon in the CMIA's Annual (end of year) Report. The QAIP covers all aspects of IA, to include the completion of an annual self-assessment (and 5-yearly external review) which evaluates IA's compliance with the PSIAS. The QAIP includes a suite of PIs determined by the GAC which assess IA's efficiency and effectiveness and also reported in the CMIA's Annual (end of year) Report. The Report also includes the IA's resultant improvement plan following the completion of the QAIP. The QAIP is monitored and maintained by the CMIA. The GAC reviews IA on a regular basis via IA's progress and end of year reports, and the Council's AGS. The IA service is assessed by the Council's external auditors annually, as	

			part of their review of controls for their ISA 260 report; and an independent external review of the IA self-assessment is undertaken 5-yearly as required by the PSIAS.
CONFORMS	PARTIAL	NOT CONFORMING	
<i>1310 Requirements of the Quality Assurance and Improvement Programme</i>			
5.4.2 Does the QAIP include both internal and external assessments?			The CMIA undertakes an annual internal self-assessment, which is supported by a 5-yearly external review, as required by PSIAS (last undertaken May 2022.).
CONFORMS	PARTIAL	NOT CONFORMING	
<i>1311 Internal Assessments</i>			
5.4.3 Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?			(R3.2) Each IA review is allocated to staff based on each auditor's knowledge, skills and experience. Every member of staff is aware of the PSIAS requirements, as well as the IA Charter and Audit Manual, to ensure services are performed in accordance with set standards; and that advice and guidance is available, and should be sought if necessary from the CMIA, AM, SA, other Auditors, policies or procedures.
CONFORMS	PARTIAL	NOT CONFORMING	
5.4.4 Do internal assessments include ongoing monitoring of the internal audit activity, such as: <ul style="list-style-type: none"> <li>• Routine quality monitoring processes?</li> <li>• Periodic assessments for evaluating conformance with the PSIAS?</li> </ul>			Each audit is reviewed by the CMIA, AM or SA for quality, correctness and completeness; quality control questionnaires are normally sent to clients for feedback on service provided; quarterly progress reports, the annual (end of year) report, the self-assessment results and QAIP are presented to GAC.
CONFORMS	PARTIAL	NOT CONFORMING	
5.4.5 Does ongoing performance monitoring contribute to quality improvement through the effective use of performance targets?			Performance is monitored via the IA's progress against the annual operational audit plan, update of the improvement plan and targets.



<ul style="list-style-type: none"> <li>• Is there a set of comprehensive targets which between them encompass all significant internal audit activities?</li> <li>• Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?</li> <li>• Does the CAE measure, monitor and report on progress against these targets?</li> <li>• Does ongoing performance monitoring include obtaining stakeholder feedback?</li> </ul>	<p>The PIs used are based on those used by CIPFA's audit benchmarking club and are compared to the all-wales average.</p> <p>The PIs are approved by the GAC as part of the QAIP.</p> <p>Progress, performance and targets are monitored on a regular basis by the CMIA and reported quarterly/annually to GAC.</p> <p>Quality control questionnaires are sent to auditees to request feedback re the service provided. QCQs have been circulated quarterly during 22/23.</p>			
<table border="1"> <tr> <td style="background-color: #92d050;">CONFORMS</td> <td>PARTIAL</td> <td>NOT CONFORMING</td> </tr> </table>	CONFORMS	PARTIAL	NOT CONFORMING	
CONFORMS	PARTIAL	NOT CONFORMING		
<p>5.4.6 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?</p> <p>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.</p>	<p>The annual self-assessment is undertaken by the CMIA and presented to GAC; the last external review was undertaken by Ynys Mon Head of Audit &amp; Risk who is familiar with the PSIAS and LGAN requirements.</p>			
<table border="1"> <tr> <td style="background-color: #92d050;">CONFORMS</td> <td>PARTIAL</td> <td>NOT CONFORMING</td> </tr> </table>	CONFORMS	PARTIAL	NOT CONFORMING	
CONFORMS	PARTIAL	NOT CONFORMING		
<p>5.4.7 Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?</p>	<p>The audit plan's progress 'to date' is noted in each quarterly progress report, as well as the scope / objective of each review, the assurance provided and number of actions required.</p> <p>KPIs are monitored and reported to GAC.</p>			
<table border="1"> <tr> <td style="background-color: #92d050;">CONFORMS</td> <td>PARTIAL</td> <td>NOT CONFORMING</td> </tr> </table>	CONFORMS	PARTIAL	NOT CONFORMING	
CONFORMS	PARTIAL	NOT CONFORMING		
<p><a href="#"><i>1312 External Assessments</i></a></p>				
<p>5.4.8 Has an external assessment been carried out, or is one planned to be carried out, at least once every five years?</p> <p>Has the CAE discussed the alternative approaches to external assessment with the board? 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</p>	<p>Last external review undertaken in May 2022.</p> <p>CMIA has discussed the alternative approaches to external assessment with the GAC prior to the last review. It was decided to opt for an independent validation of the CMIA's self-assessment (rather than a 'full' assessment) which would avoid the duplication of work, and cost less in time and money.</p>			

<p>considered to warrant a demonstrably independent assessment.</p>	<p>The actual assessor was chosen for the Council by the WCAG auditors administering the collaboration, to ensure independence.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p>5.4.9 Has the CAE properly discussed the qualifications and independence of the assessor or assessment team with the board?</p> <p>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 <i>and</i> 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.</p> <p>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.</p> <p>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.</p>	<p>The last external review was undertaken by Ynys Mon Head of Audit &amp; Risk who is familiar with the PSIAS and LGAN requirements.</p> <p>The assessor has many years' experience of audit and management and attends the NMWAP / WCAG on behalf of Ynys Mon CC..</p> <p>The actual assessor was chosen for the Council by the WCAG auditors administering the collaboration, to ensure independence.</p> <p>Other than attending the WCAG and NMWAP, Ynys Mon and Ceredigion CCs do not have any other joint activities in respect of auditing.</p> <p>No conflict of interest was lodged in respect of this appointment.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p>5.4.10 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?</p> <p>The CAE should also agree this scope with the external assessor or assessment team.</p>	<p>CMIA discussed the alternative approaches to external assessment with the GAC prior to the last review. It was decided to opt for an independent validation of the CMIA's self-assessment (rather than a 'full' assessment). This was communicated to the assessor prior to the commencement of the review.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>

<i>1320 Reporting on the Quality Assurance and Improvement Programme</i>			
<p>5.4.11 Has the CAE reported the results of the QAIP to senior management and the board? Note that:</p> <ul style="list-style-type: none"> <li>• The results of both external and periodic internal assessments must be communicated upon completion</li> <li>• The results of ongoing monitoring must be communicated at least annually</li> <li>• 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.</li> </ul>			<p>The results of the completed annual self-assessment, and annual (end of year) report (with QAIP) is presented to GAC annually. The 5-yearly external assessment is presented to GAC upon its completion. The most recent EQA was reported to GAC in September 2022. The report included the assessment results along with the improvement action plan.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>5.4.12 Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?</p>			<p>(R5.4.1) IA has a QAIP which is reported upon in the CMIA's Annual (end of year) Report. The QAIP covers all aspects of IA, to include the completion of an annual self-assessment (and 5-yearly external review) which evaluates IA's compliance with the PSIAS. The QAIP includes a suite of PIs determined by GAC which assess IA's efficiency and effectiveness and also reported in the CMIA's Annual (end of year) Report. The Report also includes the IA's resultant improvement plan following the completion of the QAIP. The QAIP is monitored and maintained by the CMIA, who reports progress to GAC quarterly.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<i>1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'</i>			
<p>5.4.13 Has the CAE stated that the internal audit activity conforms with the</p>			<p>N/A – statement not currently used in Audit Reports.</p>

PSIAS only if the results of the QAIP support this?			
CONFORMS	PARTIAL	NOT CONFORMING	
<i>1322 Disclosure of Non-conformance</i>			
5.4.14 Has the CAE reported any instances of non-conformance with the PSIAS to the board?			The results of the self-assessment is reported to the GAC. Any instances of non-conformance or partial will be highlighted and noted in the resultant improvement plan.
CONFORMS	PARTIAL	NOT CONFORMING	
5.4.15 If appropriate, has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?			N/A – no significant deviations detected.
CONFORMS	PARTIAL	NOT CONFORMING	

Questions to Consider	Evidence / Comments
6 Performance Standards	
6.1 2000 Managing the Internal Audit Activity	
<p>The questions in this section seek to confirm that the internal audit activity's work achieves the purposes and responsibility of the activity, as set out in the internal audit charter, and that the internal audit activity adds value to the organisation and its stakeholders by:</p> <ul style="list-style-type: none"> <li>• Providing objective and relevant assurance</li> <li>• Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.</li> </ul>	
<i>2010 Planning</i>	
<p>6.1.1 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? Does the risk-based plan take into account the requirement to produce an annual internal audit opinion? Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of:</p> <ul style="list-style-type: none"> <li>• How the internal audit service will be delivered?</li> <li>• How the internal audit service will be developed in accordance with the internal audit charter?</li> <li>• How the internal audit service links to organisational objectives and priorities?</li> </ul>	<p>The CMIA decides the priorities, scope and methods of the Council's audit activity by establishing a risk-based Internal Audit Strategy and Annual Audit plan, developed in accordance with the Council's Risk Management Framework and is aligned to the Corporate Strategy &amp; Corporate Risk Register.</p> <p>Various corporate documents are referred to during the compilation of the audit plan, to include the Corporate Strategy which contains the Council's corporate vision, priorities and well-being objectives, in order to align them with the service provision.</p> <p>The Internal Audit Strategy &amp; annual audit plan stipulates the 'type' of audit to be undertaken for each review and highlights that priority is given to assurance work and in particular assurance work based on 'red' corporate risks in the CRR and high-risks identified in the CMIA's annual risk assessment. The plan also states that this is to produce an annual internal audit opinion.</p> <p>The risk-based audit plan forms part of the Annual Audit Strategy, which notes:</p>

CONFORMS	PARTIAL	NOT CONFORMING	<ul style="list-style-type: none"> <li>• How the IA service is delivered and developed in accordance with the IA charter, and</li> <li>• How the IA service links to the Council’s corporate vision, priorities and well-being objectives.</li> </ul> <p>IA assesses its work on an on-going basis, considering the Council’s changing needs and priorities regularly. The CMIA has used both the risk assessment and input from the Corporate Risk Register when creating the IA plan for 2023/24, in addition to additional work planned such as grants and existing audits that have been rolled over from 2022/23.</p> <p>The plan states that priority will be given to provide assurance on all ‘Red’ rated risks within the Corporate Risk Register within a 2-year rolling period. The plan lists the risks that will be given priority.</p>
	<p>6.1.2 Does the risk-based plan set out how internal audit’s work will identify and address local and national issues and risks?</p> <p>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?</p> <p>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?</p>		
CONFORMS	PARTIAL	NOT CONFORMING	<p>The CMIA maintains a map of assurances (local &amp; national issues) that is discussed at weekly team meetings and the audit plan contains a contingency to be able to respond to areas requiring assurances that have</p>

			been identified through the assurance map throughout the year.
6.1.3 Does the risk-based plan set out the: <ul style="list-style-type: none"> <li>• Audit work to be carried out?</li> <li>• Respective priorities of those pieces of audit work?</li> <li>• Estimated resources needed for the work?</li> </ul> Does the risk-based plan differentiate between audit and other types of work? Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?			<p>The annual audit plan contains the initial risk-based operational plan of work to be performed for the Council, and the scope of each piece of work. The priority is placed on assurance work which is highlighted in the Strategy &amp; Plan, although there are other considerations eg WG deadlines. The estimated number of days allocated to each piece of work is entered in the plan, as well as the total number of days required to complete the entire plan, in order to assess the required resources.</p> <p>The plan stipulates the 'type' of audit to be undertaken for each review, and other work to be undertaken, eg consultations.</p> <p>The CMIA reviews and adjusts the plan during the year, in response to internal and/or external influences, which is reported to the GAC.</p> <p>During 2022/23 the plan of work will be flexible in accordance with risk.</p> <p>The plan states that priority will be given to provide assurance on all 'Red' rated risks within the Corporate Risk Register within a 2-year rolling period. The plan lists the risks that will be given priority.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
6.1.4 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?			<p>The plan's implementation is monitored by the CMIA on an on-going basis and, inevitably, a number of changes are required during the year for a variety of reasons, necessitating the re-prioritisation of tasks, and revisions to the original work planned, which is detailed in the quarterly Progress Reports to GAC.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
6.1.5 Is the internal audit activity's plan of engagements based on a documented risk assessment? Is the risk assessment used to develop the plan of engagements undertaken at least annually?			<p>The risk assessment used is documented in the Annual Audit Strategy as approved by GAC. The risk assessment of all Council services is undertaken annually by the CMIA.</p> <p>During 2022/23 the plan of work was flexible in accordance with risk.</p>
CONFORMS	PARTIAL	NOT CONFORMING	

<p>6.1.6 In developing the risk-based plan, has the CAE also given sufficient consideration to:</p> <ul style="list-style-type: none"> <li>• Any declarations of interest (for the avoidance for conflicts of interest)?</li> <li>• The requirement to use specialists, eg IT or contract and procurement auditors?</li> <li>• Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary?</li> <li>• 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?</li> </ul>			<ul style="list-style-type: none"> <li>• Staff are required to declare any interest that may impact upon their objectivity in an annual written statement to the CMIA who is therefore able to plan the allocation of work to avoid the risk of any conflict of interest.</li> <li>• Additional assistance is obtained where specialist skills are required eg complex ICT audits, such as the Financials ICT audit in 2018/19. The AM received training and development from Mindgrove to address this requirement during 2019/20.</li> <li>• Zurich information governance health check audit in 22/23</li> <li>• The plan's resource requirements are calculated and any additional resources available are noted as a contingency for any unforeseen pieces of work.</li> <li>• The CMIA and AM time include allocations for planning and reporting activities, etc.</li> </ul>
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>	
<p>6.1.7 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? Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?</p>			<p>The CMIA periodically attends LG and has meetings with CLOs to discuss the audit plan and/or other pieces of work undertaken by the service, where necessary.</p> <p>The CMIA is familiar with the Council's Corporate Strategy which contains the Council's corporate vision, priorities and well-being objectives; and the Risk Management Framework. The corporate risk register is routinely reported to GAC and distributed to the CMIA.</p> <p>The objectives of the IA service include understanding and supporting the Council's needs and objectives as a whole, in the service's role in evaluating and reporting on the Council's activities.</p>
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>	
<p>6.1.8 Does the CAE take into consideration any proposed consulting engagement's potential to improve the management of risks, to add value and</p>			<p>The objectives of the IA service include adding value and assisting the Council in achieving its objectives, by providing appropriate and relevant advice and</p>



<p>to improve the organisation's operations before accepting them? Are consulting engagements that have been accepted included in the risk-based plan?</p>			<p>guidance when new systems and procedures are introduced. The plan is flexible, and is updated in response to any changes in the Council's priorities, business, risks, operations, programs, systems and controls, etc. Any consulting arrangements are included in the risk-based plan. The CMIA also attended CPMP to provide advice on projects brought to the panel at an early stage.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p><i>2020 Communication and Approval</i></p>			
<p>6.1.9 Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?</p>			<p>The CMIA periodically attends LG and has meetings with CLOs to discuss the audit plan and/or other pieces of work undertaken by the service, where necessary. The IA Strategy &amp; Plan of work for 2023/24 was discussed with the Chief Executive &amp; Statutory Directors prior to presenting to Leadership Group. The strategy and plan is presented to GAC for approval, which includes the annual plan and its resource requirement.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.1.10 Has the CAE communicated the impact of any resource limitations to senior management and the board?</p>			<p>Any known limitations are reported in the quarterly progress reports when it comes to the CMIA's attention. The resulting impact on the service is also documented eg the need for additional training. The CMIA Annual Report also has a section to report any limitations experienced during the year.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p><i>2030 Resource Management</i></p>			
<p>6.1.11 Does the risk-based plan explain how internal audit's resource requirements have been assessed?</p>			<p>A breakdown of how the number of days required to complete the operational audit plan (and other functions) are calculated and total is included in the strategy.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.1.12 Has the CAE planned the deployment of resources, especially the</p>			<p>Auditors ensure engagements are planned in conjunction with</p>

<p>timing of engagements, in conjunction with management to minimise disruption to the functions being audited, subject to the requirement to obtain sufficient assurance?</p>			<p>management in order to minimise wasted work and time (other than where unannounced visits are necessary).</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.1.13 If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board? This may include an imbalance between the work plan and resource availability and/or other significant matters that jeopardise the delivery of the plan or require it to be changed.</p>			<p>If a deficiency in resources was highlighted during the compilation of the annual audit plan, it would have an impact on the audit opinion as insufficient reviews would be undertaken in order to provide the audit opinion on assurance. This would be reported to GAC by the CMIA.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p><i>2040 Policies and Procedures</i></p>			
<p>6.1.14 Has the CAE developed and put into place policies and procedures to guide the internal audit activity? Examples include maintaining an audit manual and/or using electronic management systems to guide staff in performing their duties in a manner that conforms to the PSIAS. Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?</p>			<p>The IA Charter, annual audit strategy and plan, audit manual and audit programs provide guidance to the IA section. . Appropriate CIPFA policies and guidance are also circulated to members of staff. The policies and procedures are regularly reviewed and updated as necessary and are available to the IA team on the IA Teams site. The latest IA Charter was presented to Audit Committee in January 2023 &amp; the Audit Manual was updated in May 2022.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p><i>2050 Coordination</i></p>			
<p>6.1.15 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?</p>			<p>The objectives of the IA service include understanding its role alongside other sources of assurance within the Council, and to plan its work accordingly. Any direct assurance</p>

<p>The CAE should generally share information and coordinate activities with other internal and external providers of assurance and consulting services. They may also carry out an assurance mapping exercise, or make use of assurance mapping carried out by other assurance providers.</p> <p>They should also meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans.</p> <p>Where key organisational risks relate to work undertaken through partnerships, the auditor may be able to take assurance from work undertaken by others. Or by obtaining assurance directly.</p>	<p>placed on other sources is noted in the Annual Report. .</p> <p>Improvements were made on the assurance map during 2022/23. The assurance map is a live document that is regularly updated with assurances categorised based on the 'Three Lines' model. Assurance map is a standing item on the weekly IA team meeting agendas so that all staff are able to input on the assurance map.</p> <p>The CMIA meets periodically with the external auditors, and both parties present their respective plans to the Audit Committee to ensure no duplication of work.</p>			
<table border="1"> <tr> <td data-bbox="193 927 381 1279">CONFORMS</td> <td data-bbox="383 927 531 1279">PARTIAL</td> <td data-bbox="533 927 796 1279">NOT CONFORMING</td> </tr> </table>	CONFORMS	PARTIAL	NOT CONFORMING	
CONFORMS	PARTIAL	NOT CONFORMING		
<p><i>2060 Reporting to Senior Management and the Board</i></p>				
<p>6.1.16 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?</p> <p>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?</p> <p>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</p>	<p>The CMIA reports regularly to GAC on internal audit activity's purpose, authority, responsibility and performance relative to its plan (quarterly progress reports).</p> <p>Quarterly reports on IA's finalised pieces of work are shared with the Chief Executive and Statutory Directors and include assurance levels of each piece of work, management actions issued and the associated priority level of the actions.</p> <p>Presentations are given to LG, management meetings, head teachers training days, transformation workshop,</p>			

urgency of the related actions to be taken by senior management of the board?			etc on an ad-hoc basis to inform staff across the Council of IA's purpose, authority and responsibility. The progress reports to GAC also include any additional reviews undertaken by IA during the period, to include those undertaken where fraud is suspected, etc. These are reported to LG on a case-by-case basis, where required, in accordance with the agreed remit.
CONFORMS	PARTIAL	NOT CONFORMING	
<i>2070 External Service Provider and Organisational Responsibility for Internal Auditing</i>			
6.1.17 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?			N/A – internal audit provided internally.
CONFORMS	PARTIAL	NOT CONFORMING	
<b>6.2 2100 Nature of Work</b>			
The questions in this section seek to confirm that the internal audit activity evaluates and contributes to the improvement of the organisation's governance, risk management and internal control processes using a systematic and disciplined approach.			
<i>2110 Governance</i>			

<p>6.2.1 Does the internal audit activity assess and make appropriate recommendations to improve the organisation's governance processes for:</p> <ul style="list-style-type: none"> <li>• Making strategic and operational decisions?</li> <li>• Overseeing risk management and control?</li> <li>• Promoting appropriate ethics and values within the organisation?</li> <li>• Ensuring effective organisational performance management and accountability?</li> <li>• Communicating risk and control information to appropriate areas of the organisation?</li> <li>• Coordinating the activities of and communicating information among the board, external and internal auditors and management?</li> </ul>	<p>IA evaluates the Council's services, systems and procedures; and recommends actions where weaknesses are identified.</p> <p>The areas audited each year are determined by the results of the risk-based audit plan, or on an on-going risk assessed basis.</p> <p>The AGS Framework is reviewed annually by IA to confirm efficiencies can be evidenced.</p> <p>The corporate risk management framework is regularly reviewed, however was not done during 2022/23 due to the Policy &amp; Framework being updated and improved. A review of the Service Risks is included in the IA 2023/24 plan and a full review of the RM Framework has been included in the forward work programme..</p> <p>An audit of ethics was conducted during 2018/19 (but due to the IA resource situation during the year, this was undertaken by Carmarthenshire CC) A follow-up review is included in the IA forward work plan. IA input into a Ethics &amp; Fraud elearning module which is currently under development by Learning &amp; Development and will be mandatory for all CCC staff.</p> <p>Performance management has not been reviewed recently due to new appointments, but will be included in IA's forward work plan.</p> <p>An 'Audit Wales Protocol' has recently been approved by LG to facilitate the coordination of activities and communicating information among the board, external and internal auditors and management.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p>6.2.2 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.</p>	<p>An audit of ethics was conducted during 2018/19 (but due to the IA resource situation during the year, this was undertaken by Carmarthenshire CC). A follow-up has been included in IA's forward work plan. This, coupled with the knowledge of processes within the Council concerning ethics has provided</p>	

	<p>high assurance re the Council's ethics-related objectives, programmes and activities eg Ethics &amp; Standards Committee; dedicated corporate complaints officer, mandatory staff training, gifts and hospitality register &amp; reminders, suite of regularly updated policies, recent updating of Code of Conduct, etc.</p> <p>An ethics &amp; counter-fraud training session was presented by Zurich to the Corporate managers workshop in 2021. IA has contributed to a mandatory ethics e-learning module which is now in development with Learning &amp; Development.</p>
<p>CONFORMS    PARTIAL    NOT CONFORMING</p>	
<p>6.2.3 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.</p>	<p>Reliance is placed on the external assessments required by ICT, as the service is subject to continuous monitoring by various bodies eg the Public Services Network's compliance with the Code of Connection (CoCo). Co-Co requires the Council to demonstrate that the infrastructure is sufficiently secure and would not present an unacceptable risk to the security of the network. It is also necessary to meet PSN's information assurance requirements and to make a number of commitments to ensure the ongoing security of the network. NTA Monitor Ltd (a leading provider of information security consultancy, auditing and penetration testing services) also completed an External Network Test on the Council's systems, and has performed an onsite PSN IT Health Check.</p> <p>A PCI-DSS compliance test is completed annually.</p> <p>Specialist auditors from Carmarthenshire CC undertook an ICT audit of the new Ceri Payroll ICT system during 2017/18, and returned in 2018/19 to audit the Council's Computerised Financials systems. This was complemented by IA's general ICT audits of compliance within key systems.</p>

			The AM received training and development from Mindgrove to address this requirement during 2019/20.
CONFORMS	PARTIAL	NOT CONFORMING	
<i>2120 Risk Management</i>			
<p>6.2.4 Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that:</p> <ul style="list-style-type: none"> <li>• Organisational objectives support and align with the organisation's mission?</li> <li>• Significant risks are identified and assessed?</li> <li>• Appropriate risk responses are selected that align risks with the organisation's risk appetite?</li> <li>• 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?</li> </ul>			<p>The Council has clear strategic objectives which support its vision statement, which have been approved by Council (Corporate Strategy). Individual risks are identified and assessed by managers in their business plans which are monitored and reported upon quarterly, and reviewed annually. Significant risks are captured in the corporate risk register which is reviewed quarterly by LG and is a standard agenda item at GAC. Mitigation actions are noted to align risks with the organisation's risk appetite. The corporate risk management framework is regularly reviewed, however was not done during 2022/23 due to the Policy &amp; Framework being updated and improved. A review of the Service Risks is included in the IA 2023/24 plan and a full review of the RM Framework has been included in the forward work programme.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.2.5 Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the:</p> <ul style="list-style-type: none"> <li>• Achievement of the organisation's strategic objectives?</li> <li>• Reliability and integrity of financial and operational information?</li> <li>• Effectiveness and efficiency of operations and programmes?</li> <li>• Safeguarding of assets?</li> <li>• Compliance with laws, regulations, policies, procedures and contracts?</li> </ul>			<p>IA evaluates the Council's services in accordance with the annual risk-based audit plan, or on an on-going risk assessed basis, and provides appropriate and relevant advice and guidance when new systems and procedures are introduced. Governance, operations and information systems are included in the audit programs. The Governance Framework is reviewed annually which the CMIA contributes to.</p> <p>All reviews are undertaken bearing in mind the services' future aims and objectives. The main financial systems are subject to a 3-yearly rolling review</p>

			(more frequent during the pandemic due to additional risks eg wfh). IA assesses the adequacy of procedures to ensure the Council's assets are adequately safeguarded and that services comply with significant policies, plans, procedures, laws and regulations.
CONFORMS	PARTIAL	NOT CONFORMING	
6.2.6 Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk? CIPFA has issued a <i>Code of Practice on Managing the Risk of Fraud and Corruption</i> , and strongly recommends that it is used as the basis for assessment of how an authority manages its fraud risk.			All auditors have an awareness of the possibility of finding errors, fraud or non-compliance within the Council's systems and procedures. The Council is determined to strive for a culture of honesty and integrity, opposing fraud, corruption and malpractice. It has a comprehensive Strategy on Counter-Fraud, Bribery and Corruption (to include Anti-Money Laundering) which includes a response plan, based on CIPFA guidance. This strategy was presented to the GAC for approval on 3/6/21. IA presents an annual counter-fraud report to GAC at year-end. An ethics & counter-fraud training session was presented by Zurich to the Corporate Managers workshop in 2021. IA have contributed to an Ethics & Fraud elearning module that is currently in development with L&D and will be mandatory to all employees.
CONFORMS	PARTIAL	NOT CONFORMING	
6.2.7 Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement? Are internal auditors alert to other significant risks when undertaking consulting engagements? Do internal auditors incorporate knowledge of risks gained from consulting engagements into their evaluation of the organisation's risk management processes?			Risks form the basis of each audit program, to include consultations. All auditors have an awareness of the possibility of finding errors, fraud or non-compliance within the Council's systems and procedures. Any risks discovered during a consulting engagement is reported to management at that time, with recommended mitigating actions. These are reported further, in accordance with the risk management process, if no
CONFORMS	PARTIAL	NOT CONFORMING	



			action is taken and the risk exceeds the Council's risk appetite.
6.2.8 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?			Actions to mitigate perceived risks are noted in audit reports, with the name of the officer responsible for implementing the action and a target date for its completion. Auditors are mindful not to get operationally involved in the process (eg grants / direct payments).
CONFORMS	PARTIAL	NOT CONFORMING	
<i>2130 Control</i>			
6.2.9 Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the: <ul style="list-style-type: none"> <li>• Achievement of the organisation's strategic objectives?</li> <li>• Reliability and integrity of financial and operational information?</li> <li>• Effectiveness and efficiency of operations and programmes?</li> <li>• Safeguarding of assets?</li> <li>• Compliance with laws, regulations, policies, procedures and contracts?</li> </ul>			(R6.2.5) IA evaluates the Council's services in accordance with the annual risk-based audit plan, or on an on-going risk assessed basis, and provides appropriate and relevant advice and guidance when new systems and procedures are introduced. Governance, operations and information systems are included in the audit programs. All reviews are undertaken bearing in mind the services' future aims and objectives. The main financial systems are subject to a 3-yearly rolling review. IA assesses the adequacy of procedures to ensure the Council's assets are adequately safeguarded and that services comply with significant policies, plans, procedures, laws and regulations.
CONFORMS	PARTIAL	NOT CONFORMING	
6.2.10 Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?			Evaluation of controls form part of each audit program.
CONFORMS	PARTIAL	NOT CONFORMING	
<b>6.3 2200 Engagement Planning</b>			
6.3.1 Do internal auditors develop and document a plan for each engagement? Does the engagement plan include the engagements: <ul style="list-style-type: none"> <li>• Objectives?</li> </ul>			An audit engagement scoping document is created by the auditor and is sent to auditees prior to commencing the audit engagement. The objectives and scope of an audit are contained in the audit plan (& report), audit program

<ul style="list-style-type: none"> <li>• Scope?</li> <li>• Timing?</li> <li>• Resource allocations?</li> </ul>	<p>and scoping document whilst timing is agreed with the auditee and resource allocation is communicated to each auditor upon allocation of work.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p>6.3.2 Do internal auditors consider the following in planning and engagement, and is this documented:</p> <ul style="list-style-type: none"> <li>• The objectives of the activity being reviewed?</li> <li>• The means by which the activity controls its performance?</li> <li>• The significant risks to the activity being audited?</li> <li>• The activity's resources?</li> <li>• The activity's operations?</li> <li>• The means by which the potential impact of risk is kept to an acceptable level?</li> <li>• The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model?</li> <li>• The opportunities for making significant improvements to the activity's governance, risk management and control processes?</li> </ul>	<p>The activity's risks and resources are considered during the audit plan stage; the activity's objectives and operations are considered at the planning &amp; engagement stage; whilst means of reducing any perceived risks, the adequacy of the activity's governance, risk management and control processes, and the opportunities for making improvements are evaluated during the review. The review is undertaken by following a set audit program, documenting the tests required and relevant governance, risk &amp; control issues that apply. The means by which the activity monitors its performance is only considered where this forms a part of the audit objective. Management actions are provided to the activity if any weaknesses are detected in its governance, risk management and control processes.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p>6.3.3 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:</p> <ul style="list-style-type: none"> <li>• Objectives?</li> <li>• Scope?</li> <li>• 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)?</li> </ul>	<p>The last external engagement accepted by the CMIA was the peer review of Flintshire CC, for which a clear written agreement was agreed between both parties. The CMIA is due to undertake an external peer review of Denbighshire CC's IA function. The objectives &amp; scope have been clearly documented per the agreement set out in the Welsh Chief Auditor's Group.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>

<p>6.3.4 For consulting engagements, have internal auditors established an understanding with the engagement clients about the following:</p> <ul style="list-style-type: none"> <li>• Objectives?</li> <li>• Scope?</li> <li>• The respective responsibilities of the internal auditors and the client and other client expectations?</li> </ul> <p>For significant consulting engagements, has this understanding been documented?</p>			<p>Engagement details are usually received in writing in an email from the client; otherwise, the scope will be documented by IA in the scoping document.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<i>2210 Engagement Objectives</i>			
<p>6.3.5 Have objectives been agreed for each engagement?  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?  Have internal auditors considered the probability of the following when developing the engagement objectives:</p> <ul style="list-style-type: none"> <li>• Significant errors?</li> <li>• Fraud?</li> <li>• Non-compliance?</li> <li>• Any other risks?</li> </ul>			<p>The objectives and scope of an audit are contained in the audit plan.  The risk assessment of each activity is undertaken as part of the compilation of the annual risk-based audit plan.  Unless the audit is eg a key control audit which is undertaken routinely on a 3-yearly rolling review basis, a reason for the activity's inclusion in the audit plan is documented.  Various risks to include errors, fraud, or non-compliance are taken into account as part of the risk assessment in compiling the annual audit plan.  The scoping document outlines the scope, objectives, fraud considerations and relevant corporate priorities.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.3.6 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?  If the criteria has been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?</p>			<p>The Council is subject to continuous reviews. The Governance framework is based on CIPFA guidance and is completed annually with input from management and Members (in a workshop) &amp; approved by LG, GAC &amp; Council as part of the Statement of Accounts. The framework is reviewed annually by IA to confirm efficiencies can be evidenced, and this forms part of IA's evaluation of the Council's governance, risk management and controls.</p>

<p>If the criteria has been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?</p> <p>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?</p>	<p>N/A – criteria based on CIPFA guidance.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p>6.3.7 Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?</p> <p>Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?</p>	<p>Engagement objectives are set on a case-by-case basis. The majority will cover one or all governance, risk management and control processes, and agreed with the client beforehand. All reviews are undertaken bearing in mind the services' future aims and objectives.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p><i>2220 Engagement Scope</i></p>		
<p>6.3.8 Is the scope that is established for each engagement generally sufficient to satisfy the engagement's objectives? Does the scope for each engagement include consideration of relevant systems, records, personnel and physical properties? Does this consideration include areas under the control of outside parties, where appropriate?</p>	<p>The scope of an engagement is based on its objectives, and is compiled on a case-by-case basis.</p> <p>The scoping document includes:</p> <ul style="list-style-type: none"> <li>• The risk owner</li> <li>• scope and objectives,</li> <li>• fraud considerations</li> <li>• relevant corporate priorities.</li> </ul>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>

<p>6.3.9 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? 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?</p>	<p>When consulting opportunities, or further audit scope, is identified during an engagement, the work is usually undertaken by IA alongside the original audit (especially where the additional work is due to a review of risk). This will be communicated in writing to the client. Results are usually communicated in an audit report (which may be a separate report to the one issued following the original assurance work). This is decided on a case-by-case basis, and the most appropriate means used.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p>6.3.10 For each consulting engagement, was the scope of the engagement generally sufficient to address any agreed-upon objectives? 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? During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?</p>	<p>The scope of an engagement is based on its objectives, and is compiled on a case-by-case basis. Auditors discuss any reservations with the CMIA/AM/SA. A decision is made as to how to continue with the work, and any major variances would be communicated to the client. IA considers the relevant governance, risk &amp; control issues that apply to each engagement.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p><i>2230 Engagement Resource Allocation</i></p>		
<p>6.3.11 Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of each engagement based on: a) The nature and complexity of the individual engagement? b) Any time constraints? c) The resources available?</p>	<p>All three items: nature and complexity of the individual engagement, time constraints and resources available are taken into account when allocating resources to an engagement as part of the audit plan.</p>	
<p>CONFORMS</p>	<p>PARTIAL</p>	<p>NOT CONFORMING</p>
<p><i>2240 Engagement Work Programme</i></p>		

<p>6.3.12 Have internal auditors developed and documented work programmes that achieve the engagement objectives? Do the engagement work programmes include procedures for:</p> <ul style="list-style-type: none"> <li>• Identifying information?</li> <li>• Analysing information?</li> <li>• Evaluating information?</li> <li>• Documenting information?</li> </ul> <p>Were work programmes approved prior to implementation for each engagement? Were any adjustments required to work programmes approved promptly?</p>	<p>The IA Section has a suite of internal audit work programs which are continuously updated, in response to any required changes. The programmes note what information is required and how it should be analysed and/or evaluated. The auditors can then document the information collected. All work programmes require approval of the CMIA/AM/SA prior to use. Any adjustments deemed necessary will be made to work programmes promptly, during the approval stage.</p>	
CONFORMS	PARTIAL	NOT CONFORMING
<p>6.4 2300 Performing the Engagement</p>		
<p>The questions in this section seek to confirm that internal auditors analyse, evaluate and document sufficient, reliable, relevant and useful information to support engagement results and conclusions.</p>		
<p><i>2310 Identifying Information</i></p>		
<p>6.4.1 Do internal auditors generally identify (sufficient, reliable, relevant and useful) information which supports engagement results and conclusions? Sufficient information is factual, adequate and convincing so that a prudent, informed person would reach the same conclusions as the auditor. Reliable information is the best attainable information through the use of appropriate engagement techniques. Relevant information supports engagement observations and recommendations and is consistent with the objectives for the engagement. Useful information helps the organisation meet its goals.</p>	<p>Clear and concise working papers are required, as noted in the Audit Manual. All audit working papers are reviewed by the CMIA, AM or SA to ensure a consistent quality of work is upheld by the Section at all times and that the required standards are achieved. All findings and conclusions are evidenced by sufficient, reliable, relevant and useful information. If insufficient information is provided, a review sheet is forwarded to the auditor requesting the additional information / work to be undertaken. Unreliable information is discounted (unless it can be evidenced). Irrelevant information and that of no use is disregarded, and auditors are reminded of requirements.</p>	
CONFORMS	PARTIAL	NOT CONFORMING
<p><i>2320 Analysis and Evaluation</i></p>		
<p>6.4.2 Have internal auditors generally based their conclusions and engagement results on appropriate analyses and evaluations?</p>	<p>The CMIA requires IA working papers to be sufficient, concise and adequately referenced to ensure all findings, recommendations and conclusions, and the overall audit opinion, are supported,</p>	

			and provide a clear record of the work performed. A review sheet is forwarded to the auditor requesting the additional information / work where this requirement is not achieved.
CONFORMS	PARTIAL	NOT CONFORMING	
6.4.3 Have internal auditors generally remained alert to the possibility of the following when performing their individual audits, and has this been documented:			Auditors exercise due professional care by having an awareness of the probability of significant errors, fraud or non-compliance. Any serious weaknesses or issues are reported to the CMIA or AM immediately to decide the best course of action; other issues are fully documented to ensure they are addressed as part of the audit. This requirement is noted in the audit manual.
<ul style="list-style-type: none"> <li>• Intentional wrongdoing?</li> <li>• Errors or omissions?</li> <li>• Poor value for money?</li> <li>• Failure to comply with management policy?</li> <li>• Conflicts of interest?</li> </ul>			
CONFORMS	PARTIAL	NOT CONFORMING	
<i>2330 Documenting Information</i>			
6.4.4 Have internal auditors documented the relevant information required to support engagement conclusions and results? 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?			(R6.4.2) The CMIA requires IA working papers to be sufficient, concise and adequately referenced to ensure all findings, recommendations and conclusions, and the overall audit opinion, are supported, and provide a clear record of the work performed. A review sheet is forwarded to the auditor requesting the additional information / work where this requirement is not achieved.
CONFORMS	PARTIAL	NOT CONFORMING	
6.4.5 Does the CAE control access to engagement records? Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties? Has the CAE developed and implemented retention requirements for all types of engagement records?			The IA Section has a shared electronic filing system; only the CMIA can access certain records. No such records have been released to external parties. This would be discussed with the Data Protection Officer / CLO-Legal & Governance / Monitoring Officer / Corporate Complaints and FOI Manager as appropriate if such a request was received. IA has a retention policy which is contained in the Audit Manual.
CONFORMS	PARTIAL	NOT CONFORMING	

6.4.6 Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	IA retention policy has been written in conjunction with the Council's corporate record management policy, and the Record Management Society's guidelines.		
CONFORMS	PARTIAL	NOT CONFORMING	
<i>2340 Engagement Supervision</i>			
6.4.7 Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed? Is appropriate evidence of supervision documented and retained for each engagement?	Auditors are supervised by the CMIA, AM or SA throughout an audit. All work is subject to a quality review. All reports are checked by the CMIA prior to issue. Working papers are initialled by the reviewer . All final reports are signed by the CMIA (or deputy). Any performance issues are dealt with using the Council's Managing Employee Performance Policy – the CMIA and AM have attended the mandatory management training on Empowering Staff Performance.		
CONFORMS	PARTIAL	NOT CONFORMING	
<b>6.5 2400 Communicating Results</b>			
The questions in this section seek to confirm that internal auditors communicate the results of engagements in an appropriate way.			
<i>2410 Criteria for Communicating</i>			
6.5.1 Do the communications of engagement results include the following: <ul style="list-style-type: none"> <li>• The engagement's objectives?</li> <li>• The scope of the engagement?</li> <li>• Applicable conclusions?</li> <li>• Recommendations and action plans, if appropriate?</li> </ul>	An audit report normally outlines the review's objectives, the audit approach (ie scope), a summary of the findings (to include positive outcomes), an assurance opinion (conclusion) and an action plan to document the actions required to address any weaknesses found in the service / system (where required).		
CONFORMS	PARTIAL	NOT CONFORMING	
6.5.2 Do internal auditors generally discuss the contents of the draft final reports with the appropriate levels of management to confirm factual	An exit meeting is arranged to discuss each draft audit report prior to its issue, to ensure it is factually correct and: that actions are agreed by management,		



accuracy, seek comments and confirm the agreed management actions?			who takes responsibility for each action with target date for implementation, and whether they wish to include any further comments.
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.5.3 If recommendations and an action plan have been included, are recommendations prioritised according to risk?</p> <p>If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?</p> <p>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?</p>			<p>Actions are ranked: merits attention, moderate, significant or fundamental (depending on the financial and operational risk to the service / Council). The action plan stipulates whether actions have been agreed with management (and any comments they wish to enter as relevant), who the responsible officer for implementing each action is, and the target date for implementation.</p> <p>Any disagreement is noted in the action plan, and if the action is deemed fundamental or significant it is highlighted as a risk to senior management and GAC.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.5.4 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?</p> <p>When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?</p>			<p>All material findings and conclusions are recorded in reports.</p> <p>Each audit report contains the auditor's opinion which is ranked: high, substantial, moderate or low (depending on the number of actions required and their risk ranking).</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.5.5 Opinions should be supported by sufficient, reliable, relevant and useful information (in line with responses to questions for PSIAS 2300). Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?</p>			<p>See point 6.4.1</p> <p>A satisfactory review resulting in 'no actions required' is issued a memo providing a 'high' assurance opinion. It also contains the scope of work to highlight any limitations to the review.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.5.6 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?</p>			<p>N/A – reports are not released to external parties.</p>
CONFORMS	PARTIAL	NOT CONFORMING	

6.5.7 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?	N/A – no such work undertaken. (Harbour a/c is part of Council's activities).		
CONFORMS	PARTIAL	NOT CONFORMING	
<i>2420 Quality of Communications</i>			
6.5.8 Are internal audit communications generally accurate, objective, clear, concise, constructive, complete and timely?	Accuracy of reports are confirmed prior to issue; all findings have to be supported by evidence, and are therefore objective; reports are clear and concise as they do not contain any superfluous information; the action plan is meant to be constructive as it offers actions to improve any weaknesses discovered. It is aimed to issue reports within 10 days of the end of the audit field work. On average, this is achieved, as per PIs.		
CONFORMS	PARTIAL	NOT CONFORMING	
<i>2421 Errors and Omissions</i>			
6.5.9 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?	If a draft audit report is amended, the updated version is issued to all recipients on the original distribution list.		
CONFORMS	PARTIAL	NOT CONFORMING	
<i>2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'</i>			
6.5.10 Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?	N/A – statement is not currently used.		
CONFORMS	PARTIAL	NOT CONFORMING	
<i>2431 Engagement Disclosure of Non-conformance</i>			
6.5.11 Where any non-conformance with the PSIAS has impacted on a	N/A – no such incident recorded.		

<p>specific engagement, do the communication of the results disclose the following:</p> <ul style="list-style-type: none"> <li>• The principle or rule of conduct of the Code of Ethics or Standard(s) with which full conformance was not achieved?</li> <li>• The reason(s) for non-conformance?</li> <li>• The impact of non-conformance on the engagement and the engagement results?</li> </ul>			
CONFORMS	PARTIAL	NOT CONFORMING	
<p><i>2440 Disseminating Results</i></p>			
<p>6.5.12 Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?</p>			<p>Reports are usually restricted to the manager of the service audited (who is normally responsible for instigating the required actions), as well as the appropriate CLO. The CLO Policy, Performance &amp; Public Protection is included in the distribution list for audits relating to risks within the CRR.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.5.13 Has the CAE communicated engagement results to all appropriate parties?</p>			<p>The distribution list is checked during the exit meeting, and entered in the report, so any omissions are usually detected.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.5.14 Before releasing engagement results to parties outside the organisation, did the CAE:</p> <ul style="list-style-type: none"> <li>• Assess the potential risk to the organisation</li> <li>• Consult with senior management and/or legal counsel as appropriate?</li> <li>• Control dissemination be restricting the use of the results?</li> </ul>			<p>N/A – no reports released to external parties.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.5.15 Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?</p>			<p>Any fundamental and significant actions required are reported quarterly in the CMIA's progress report to GAC, the Chief Executive &amp; Statutory Directors.</p>
CONFORMS	PARTIAL	NOT CONFORMING	

<i>2450 Overall Opinion</i>			
<p>6.5.16 Has the CAE delivered an annual internal audit opinion?</p> <p>Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?</p> <p>Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?</p> <p>Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information (having regard to the answers to questions on PSIAS 2300)?</p>			<p>The opinion is included in the CMIA's Annual Report to GAC.</p> <p>Opinion is based on the work undertaken and assurances provided during the year, on the Council's framework of governance, risk management and control. The opinion is supported by sufficient, reliable, relevant and useful information – see point 6.4.1.</p> <p>The Annual Report references the assurance map, noting other sources of assurances which support the opinion.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.5.17 Does the communication identify the following:</p> <ul style="list-style-type: none"> <li>• The scope of the opinion, including the time period to which the opinion relates?</li> <li>• Any scope limitations?</li> <li>• The consideration of all related projects including the reliance on other assurance providers?</li> <li>• The risk or control framework or other criteria used as a basis for the overall opinion?</li> </ul> <p>Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?</p> <p>Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?</p>			<p>The CMIA's Annual Report includes:</p> <ul style="list-style-type: none"> <li>• the CMIA's annual opinion</li> <li>• any limitations of scope</li> <li>• any reliance made on other assurance providers</li> <li>• and the risk and control frameworks used as a basis of the annual opinion eg CRR, Corporate Risk Management Framework etc</li> </ul> <p>The opinion is provided for each financial year, and is based on the number and scope of reviews and follow-ups undertaken, assurances provided (to include any other providers' assurance relied upon), and the acceptance of actions by management (especially those actions deemed fundamental and significant).</p> <p>The opinion informs the Council's AGS.</p>
CONFORMS	PARTIAL	NOT CONFORMING	

6.5.18 Does the annual report incorporate the following:	<ul style="list-style-type: none"> <li>• The annual internal audit opinion?</li> <li>• A summary of the work that supports the opinion?</li> <li>• A disclosure of any qualifications to the opinion?</li> <li>• The reasons for any qualifications to the opinion?</li> <li>• A disclosure of any impairments or restrictions in scope?</li> <li>• A comparison or work actually carried out with the work planned?</li> <li>• A statement on conformance with the PSIAS?</li> <li>• The results of the QAIP?</li> <li>• Progress against any improvement plans resulting from the QAIP?</li> <li>• A summary of the performance of the internal audit activity against its performance measures and targets?</li> <li>• Any other issues that the CAE judges is relevant to the preparation of the governance statement?</li> </ul>	<p>The annual IA opinion is included in the CMIA's Annual Report to GAC.</p> <p>A summary of the work undertaken during the year which supports the annual opinion is included in the quarterly progress reports and Annual Report to GAC.</p> <p>No qualification was provided during 2022/23.</p> <p>Any impairments or restrictions re scope are brought to the GAC's attention eg resource limitations.</p> <p>A comparison or work actually carried out against the original plan is included.</p> <p>The results of the self-assessment against PSIAS is included with resulting improvement plan.</p> <p>A summary of IA's performance for the year is included in the report, as used by CIPFA's audit benchmarking group, and other quality measures making-up the QAIP.</p> <p>Progress against the year's s/a improvement plan is noted quarterly &amp; annually. Any other issues the CMIA deems relevant is noted.</p>	
CONFORMS	PARTIAL	NOT CONFORMING	
6.6 2500 Monitoring Progress			
<p>The questions in this section seek to confirm that a system is in place to monitor effectiveness of audit communications results to management, including appropriate follow up when no action is taken by management. 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?</p>			
6.6.1 Where issues have arisen during the follow-up process (for example, where agreed actions have not been		IA have a management actions programme and monitoring	

<p>implemented), has the CAE considered revising the internal audit opinion? Do the results of monitoring management actions inform the risk-based planning of future audit work?</p>			<p>spreadsheet where progress on the implementation of agreed actions is monitored and updated A management action report is presented to GAC every 6 months.</p> <p>The Section also has a follow-up audit process and where possible, follow-up audits are undertaken once all target dates have been reached (otherwise, during the following financial year). The IA opinion is re-assessed in accordance with the results of follow-up audits.</p> <p>These results inform future risk-based audit plans.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.6.2 Does the internal audit activity monitor the results of consulting engagements as agreed with the client?</p>			<p>If IA is consulted upon eg the implementation of a new system, it is usually agreed with clients that an audit is later planned once the system is up and running.</p>
CONFORMS	PARTIAL	NOT CONFORMING	
<p>6.7 2600 Communicating the Acceptance of Risks</p>			
<p>This section considers the arrangements which apply if the CAE has concluded that management has accepted a level of risk that may be unacceptable to the organisation. Situations of this kind are expected to be rare. PSIAS 2600 sets out communication requirements for the CAE. It is not the responsibility of the CAE to resolve the risk.</p>			
<p>6.7.1 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? 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?</p>			<p>Any disagreement re the acceptance of risk between and auditor and management is noted in the report action plan; and if the recommended action is deemed fundamental or significant it is highlighted to senior management and GAC.</p>

CONFORMS	PARTIAL	NOT CONFORMING	
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Resulting Conformance with Standards:

Conformance with the Standards	Conformance 2021/22			Total
	Y	P	N	
1. Mission of Internal Audit	1			1
2. Definition of Internal Audit	2			2
3. Core Principles	10			10
4. Code of Ethics	5			5
5. Attribute Standards				
1000 Purpose, Authority and Responsibility	4			4
1100 Independence & Objectivity	21			21
1200 Proficiency and Due Professional Care	9	1		10
1300 Quality Assurance and Improvement	15			15
6. Performance Standards				
2000 Managing the Internal Audit Activity	17			17
2100 Nature of Work	10			10
2200 Engagement Planning	12			12
2300 Performing the Engagement	7			7
2400 Communicating Results	18			18
2500 Monitoring Progress	2			2
2600 Communicating the Acceptance of Risks	1			1
Total	134 99%	1 1%	0 -	135 100%



Resulting Improvement Plan (2022/23):

Ref	Conformance with Standard	Action Required	Target Date
Std 1210	5.3.1 Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent? The CMIA is currently studying for the IIA's Certificate in Internal Audit.	CMIA to achieve CMIIA professional qualification.	Within 3 years of appointment