Characteristic of 'effectiveness'	Evidence of achievement	Areas for development
IA operates in accordance with "proper practices" as defined in professional codes of practice.	Performance against the Public Sector Internal Audit Standards (PSIAS) is reviewed with the results and action plan to deal with any shortfalls in compliance being reported to Audit Committee.	Continue to develop and strengthen compliance with the PSIAS

Continue to develop Arrangements for future 5-yearly external reviews of compliance. |
	A benchmarking exercise amongst Lancashire district councils is focusing on arrangements in relation to the new standards.	Continue to take part in and learn from local benchmarking exercises
IA can demonstrate that its work provides assurance that the control framework is sound and that standards of risk management are improving.	Results of audit work are reported to each Audit Committee and summarised in the annual report and assurance statement demonstrate the level of assurance provided and how improvements are being realised.	
IA understands its position in relation to the organisation's other sources of assurance and plans its work accordingly.	Internal audit identifies other sources of assurance and takes these into account when preparing the internal audit plan.	
IA understands the whole organisation, its needs and objectives.	The audit plan demonstrates how audit work will provide assurance in relation to the authority's objectives.

Individual audit assignments identify risks to the achievement of those objectives. | |

Characteristic of 'effectiveness'	Evidence of achievement	Areas for development
IA can be seen as a catalyst for change at the heart of the organisation.	Supportive role of audit for corporate developments such as corporate governance review, risk management and efficiency/value for money. Involvement in and contributing to corporate service reviews. Individual audit assignments may also be catalyst for change.	Continue to liaise and consult with Management Team on the options for IA to provide a corporate role. Continue to contribute to the corporate programme of service reviews
IA adds value and assists the organisation in achieving its objectives.	Demonstrated through individual audit assignments and also corporate work. Internal audit work has been directly requested by Chief Officers in a number of service areas, e.g. fleet management, outdoor events, and planning for housing needs.	Continue to review scope and nature of IA's contribution and reflect this in future plans and development programmes.
Be involved in service improvements and projects as they develop, working across internal and external boundaries to understand shared goals and individual obligations.	Internal audit provides help and advice on request and supports specific projects identified in plan and on *ad hoc* basis.	Continue to consider and promote scope for IA involvement in significant projects.
Be forward looking – knowing where the organisation wishes to be and aware of the national agenda and its impact.	When identifying risks and in formulating the plan changes on the national agenda are considered. The audit section maintains awareness of new developments in the services it audits, risk management and corporate governance and disseminates this knowledge to other parts of the local authority.	Continue to develop through consultation with Management Team and service managers

Characteristic of 'effectiveness'	Evidence of achievement	Areas for development
Be innovative and challenging – shaping the values and standards of the organisation; providing internal inspection and validation and encouraging service managers to take ownership of processes, systems and policy.	Internal audit has taken an innovative approach to its reporting arrangements by focusing on risks and engaging managers in developing actions to manage risks, thereby encouraging ownership of the control environment amongst managers.	Develop greater liaison with and shared understanding with service managers
Ensure the right resources are available – the skills mix, capacity, specialism and qualifications/experience requirements all change constantly.	Resource issues are addressed in the audit planning process. Ongoing consideration is given to alternative sources of audit resource, including areas requiring specialist skills.	