

| Conformance with the Standard | Current Assessment | Update | Review May 2016 | Action Required | By Whom | By When |
|---|--------------------|--|-----------------|--|--------------------------------------|------------|
| Standards | | | | | | |
| Attribute Standards | | | | | | |
| 1220 Due Professional Care | | | | | | |
| Do internal auditors exercise due professional care by considering the: | | | | | | |
| e) Cost of assurance in relation to potential benefits? | Partial | This is considered in terms of the overall level of IA coverage and number of days planned on assurance work. It is not done at individual assignment level. | No change | Following the service review of Internal Audit, proposals for improving information on IA costs overall and the costs/benefits surrounding assurance will be developed and reported to the Audit Committee | Internal Audit and Assurance Manager | 31/01/2017 |
| Do internal auditors exercise due professional care during a consulting engagement by considering the: | | | | | | |
| c) Cost of the consulting engagement in relation to potential benefits? | Partial | Not progressed | No change | As above, proposals for improving information on IA costs overall and the costs/benefits surrounding assurance will be developed and reported to the Audit Committee | Internal Audit and Assurance Manager | 31/01/2017 |
| 1300 Quality Assurance and Improvement Programme | | | | | | |
| 1311 Internal Assessments | | | | | | |
| Do internal assessments include ongoing monitoring of the internal audit activity, such as: | | | | | | |
| Does ongoing performance monitoring include comprehensive performance targets? | Partial | Current arrangements are still to be reviewed. | No change | An in-depth review will be undertaken during 2016/17, with reference to arrangements in other local authorities, and reported to the Audit Committee | Internal Audit and Assurance Manager | 31/01/2017 |
| Are the performance targets developed in consultation with appropriate parties and included in any service level agreement? | Partial | | | | | |
| Does the CAE measure, monitor and report on progress against these targets? | Partial | | | | | |

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| Performance Standards | | | | | | |
| 2000 Managing the Internal Audit Activity | | | | | | |
| 2010 Planning | | | | | | |
| Does the risk-based plan take into account the organisation's assurance framework? | Partial | Internal Audit are in the process of developing the Council's wider assurance framework with a view to ensuring that assurances from all relevant sources are captured, reviewed and reported as appropriate. Internal Audit are developing a "three lines of defence" model which aims to provide clarity in terms of responsibilities for the provision of assurance. Alongside the development of the assurance framework, the Internal Audit and Assurance Manager is reviewing and revising the council's Risk Management Strategy. As a result, Internal Audit have developed a schedule of the council's underlying | No change | Proposals surrounding the corporate Assurance Framework have been discussed with Management Team and will be reported to Audit Committee alongside proposals for a revised Risk Management Strategy. | Internal Audit and Assurance Manager | 31/03/2017 |
| If such a risk management framework does not exist, has the CAE used his or her judgement of risks after input from senior management and the board and evidenced this? | Partial | As above | No change | As above | As above | 31/03/2017 |
| 2050 Coordination | | | | | | |
| Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources? | Partial | As above. Proposals for defining and reporting on a corporate Assurance Framework are currently being developed. | No change | Proposals surrounding the corporate Assurance Framework have been discussed with Management Team and are due to be reported to Audit Committee. | Internal Audit and Assurance Manager | 31/03/2017 |
| Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance? | Partial | | No change | | | |

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| 2100 Nature of Work | | | | | | |
| 2110 Governance | | | | | | |
| Does the internal audit activity: | | | | | | |
| b) Ensure effective organisational performance management and accountability? | Partial | Corporate arrangements for performance management continue to be developed. Internal Audit is routinely consulted in corporate developments in this area. | No change | These issues will be continue to be considered in developing future IA strategic and annual plans. | Internal Audit and Assurance Manager | 31/03/2017 |
| c) Communicate risk and control information to appropriate areas of the organisation? | Partial | | No change | | | |
| Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives? | Partial | Arrangements are being progressed to set up a new information governance function reporting to the Internal Audit and Assurance Manager (IAAM) There is a need to review and provide greater assurance on risks to the organisation associated with ICT. | No change | Continue to implement the information governance function and develop greater corporate capacity in this area. Establish a clearer understanding of ICT risks and an associated programme of assurance work. | Internal Audit and Assurance Manager | 31/03/2017 |
| 2120 Risk Management | | | | | | |
| Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that: | | | | | | |
| c) Appropriate risk responses are selected that align risks with the organisation's risk appetite? | Partial | Arrangements corporately to determine risk appetite and to manage risk are being considered in the development of an Assurance Framework for the Council. | No change | Proposals surrounding the corporate Assurance Framework to be agreed with Management Team and the Audit Committee. | Internal Audit and Assurance Manager | 31/03/2017 |
| d) Relevant risk information is captured and communicated in a timely manner across the organisation, thus enabling the staff, management and the board to carry out their responsibilities? | Partial | | No change | | | |
| 2200 Engagement Planning | | | | | | |
| For consulting engagements, have internal auditors established an understanding with the engagement clients about the following: | | | | | | |
| c) The respective responsibilities of the internal auditors and the client and other client expectations? | Partial | Attention will be given to developing these as necessary if consultancy work is taken on during 2016/17 No new opportunities have arisen to date. | No change | Develop protocols and the level of consideration and documentation required when agreeing consulting engagements. | Internal Audit and Assurance Manager | 31/03/2017 |
| For significant consulting engagements, has this understanding been documented? | Partial | | No change | | | |
| 2450 Overall Opinion | | | | | | |
| Does the annual report incorporate the following: | | | | | | |
| j) A summary of the performance of the internal audit activity against its performance measures and targets? | Partial | Not progressed significantly | No change | See action in relation to standard 1311. | | |