



Internal Audit Service: Quality Assurance and Improvement Programme 2020/21

Issued by: John Pearsall (Head of Internal Audit, Risk and Insurance)

Distribution: Audit Committee

Contents

	Page
1. Introduction	2
2. Internal Assessments	4
3. External Assessments	5
4. Review of the QAIP	6
5. Appendices	
1. Approved Internal Audit Charter 2019/20	
2. Public Sector Internal Audit Standard 1300	
3. Internal Audit Quality Control Checklist	
4. Post Audit Questionnaire	
5. Internal Performance Measures	
6. Annual Performance Feedback Form	

1. Introduction

- 1.1 Internal Auditing is defined as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.' (Public Sector Internal Audit Standards – PSIAS).
- 1.2 Stockport internal audit service aims to meet its stakeholder expectations and deliver high quality services. This does not happen overnight. It requires a lot of hard work and commitment to identify and consistently apply effective professional practice. This is why [Attribute Standard 1300](#) of the International Standards requires heads of internal audit to develop and maintain a Quality Assurance and Improvement Programme (QAIP).
- 1.3 It is also clear that the Standards believe there are two distinct but connected parts to quality programmes. First, quality assurance means establishing and implementing best practice to maintain an effective level of performance and to prevent problems from arising. Second, continuous improvement is needed to build on what is done and how it is done.
- 1.4 [Standard 1310](#) continues this dual aspect by stating that the programme must include both internal and external assessments. This acknowledges that high standards can be delivered by managers but it also implies that improvements can be further developed when benchmarking is obtained from outside the organisation and the internal audit function.
- 1.5 In total there are three key requirements of the Standards, as follows:
 1. Ongoing monitoring of the performance of the internal audit activity. This refers to the day to day supervision, review and measurement of internal audit activity that is built into policies and routine procedures.
 2. Periodic self-assessments (or assessments by other persons within the organisation with sufficient knowledge of internal audit practices) to assess conformance with the International Professional Practices Framework (IPPF) that includes the Definition of Internal Auditing, the Code of Ethics and the International Standards.
 3. External assessments of conformance to the IPPF once every five years by a qualified, independent assessor or assessment team from outside the organisation. External assessments can be in the form of a full external assessment, or a self-assessment with independent external validation.
- 1.6 One additional requirement of the 1300 series of Standards that is very important is the need to involve the audit committee and senior management in the planning and monitoring of the programme.
- 1.7 In particular, reporting of results and any subsequent actions. Some internal audit functions incorporate the QAIP within a longer term strategic plan while others

present this as a separate programme. They work equally well where there is discussion and agreement on the overall programme and timing of events.

- 1.8 The Stockport QAIP is not just one document or plan, but a number of different activities that are pulled together in some form of reporting or monitoring. This is particularly useful where internal audit and/or the Council is also going through a change programme.
- 1.9 The Stockport QAIP is designed to provide reasonable assurance to Stockport's stakeholders that Internal Audit:
 - Performs its work in accordance with the current Audit Charter (approved by Audit Committee in March 2019), which is consistent with The Public Sector Internal Audit Standards' (PSIAS) definition of Internal Auditing and Code of Ethics;
 - Operates in an effective and efficient manner; and
 - Is perceived by stakeholders as adding value and improving Internal Audit's operations.
- 1.10 Internal Audit stakeholders include the Audit Committee, Corporate Leadership Team (CLT), Directorate Leadership Teams (DLT), Corporate Governance Group (CGG), the Corporate Director, Corporate and Support Services and service departments.
- 1.11 Internal Audit's QAIP covers all aspects of the Internal Audit activity in accordance with the PSIAS Standard 1300 (Quality Assurance and improvement Programme), including:
 - Monitoring the Internal Audit activity to ensure it operates in an effective and efficient manner (1300);
 - Ensuring compliance with the PSIAS' Definition of Internal Auditing and Code of Ethics (1300);
 - Helping the Internal Audit activity add value and improve organisational operations (1300);
 - Undertaking both periodic and on-going internal assessments (1311 and 1312); and
 - Commissioning an external assessment at least once every five years, the results of which are communicated to the Audit Committee and Senior Management in accordance with Standard 1320.
- 1.12 The Head of Internal Audit, Risk and Insurance is responsible for the QAIP, which covers all types of Internal Audit activities, including consulting services.

2. Internal Assessments

- 2.1 In accordance with PSIAS Standard 1300, internal assessments are undertaken through both on-going and periodic reviews.

On-going Reviews

- 2.2 Continual assessments are conducted through:
- Management supervision of all engagements;
 - Professional peer reviews of a sample of engagements;
 - Structured, documented reviews of working papers and draft reports by Internal Audit management on a risk assessed basis;
 - Audit Policies and Procedures used for each engagement to ensure consistency, quality and compliance with appropriate planning, fieldwork and reporting standards;
 - Internal Quality Control Checklist used on a risk assessed basis to ensure consistency of reporting and reduce administrative error (Appendix 3);
 - Feedback from audit clients obtained through Audit Questionnaires at the closure of each engagement. In order to achieve a higher level of feedback, questionnaires are issued with the scoping document to ensure auditees are aware of performance requirements at the beginning and throughout the course of an audit review (Appendix 4);
 - Monitoring of internal performance targets (Appendix 5) and quarterly reporting to the CLT, CGG and Audit Committee;
 - Review and approval of all Final Reports, recommendations and levels of assurance by the Internal Audit and Risk Manager or Audit Manager;
 - Review of the status of Follow Up reports in terms of recommendations implemented; and
 - Regular team briefings attended by all members of the Internal Audit team and chaired by the Head of Internal Audit, for which minutes are retained.

Periodic Reviews

- 2.3 Periodic assessments are designed to assess conformance with Internal Audit's Charter, the PSIAS' Definition of Internal Auditing, the Code of Ethics, and the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders. Periodic assessments are conducted through:
- Quarterly Performance Reports, presented to the CLT, CGG and the Audit Committee;
 - Presentations, presented to the CLT, CGG and the Audit Committee, of a suite of performance dashboards showing –
 - Status of audit work;
 - Dates of Draft and Final Audit Reports;
 - The level of assurance of each audit;
 - Time period the work was completed;
 - Status of all recommendations by audit review and grading.
 - Annual performance evaluation form to Corporate Directors (Appendix 6);
 - Annual risk assessments, in accordance with the Internal Audit Strategy 2013-16, for the purposes of annual audit planning;

- Annual review of the Effectiveness of Internal Audit, undertaken by the Internal Audit and Risk Manager;
 - Annual review of compliance against the requirements of this Quality Assurance and Improvement Programme, the results of which are reported to CLT, CGG and the Audit Committee;
 - Feedback from the Chief Executive and Chair of the Audit Committee to inform the annual appraisal of the Head of Internal Audit, Risk and Insurance, in accordance with Standard 1100;
- 2.4 Results of internal assessments will be reported to the CLT, CGG and Audit Committee quarterly and annually. The Head of Internal Audit, Risk and Insurance will implement appropriate follow-up to any identified actions to ensure continual improvement of the service, through an Action Plan.
- 2.5 Any significant areas of non-compliance with the PSIAS that are identified through internal assessment will be reported in the Head of Internal Audit, Risk and Insurance's Annual Report and used to inform the Annual Governance Statement (AGS).

3. External Assessments

- 3.1 Stockport Internal Audit Service was externally assessed in August 2017 and fully conforms with the PSIAS. Of the 15 sub standards, only two were considered partial conforms and an action put in place to address these. External assessments appraise and express an opinion about internal audit's conformance with the PSIAS' Definition of Internal Auditing and Code of Ethics and include recommendations for improvement, as appropriate.

Frequency of External Assessment

- 3.2 An external assessment will be conducted at least every five years, in accordance with the PSIAS. Appointment of the External Assessor and scope of the External Assessment will be approved by the Audit Committee.

Scope of External Assessment

- 3.3 The external assessment will consist of broad scope of coverage that includes the following elements of Internal Audit activity:

Conformance with the Standards, Definition of Internal Auditing, the Code of Ethics, and internal audit's Charter, plans policies, procedures, practices, and any applicable legislative and regulatory requirements;

- Integration of the Internal Audit activity into Stockport Council's governance framework, including the audit relationship between and among the key groups involved in the process;
- Tools and techniques used by Internal Audit;
- The mix of knowledge, experiences, and disciplines within the staff, including staff focus on process improvement delivered through this Quality Assurance and Improvement programme;
- A determination whether Internal Audit adds value to Stockport Council.

- 3.4 Results of external assessments will be provided to the CLT, CGG and the Audit Committee. The external assessment report will be accompanied by a written action plan in response to significant comments and recommendations identified. Any significant areas of non-compliance will be reported in the Annual Report of the Internal Audit and Risk Manager and in the Annual Governance Statement (AGS).

4. Review of QAIP

- 4.1 This document will be subject to periodic review and will be updated accordingly following any changes to the PSIAS or internal audit's operating environment and will be reviewed at least on an annual basis.

Audit Charter

2020/21

March 2020

Mission of Internal Audit

To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight

1. Purpose of the Charter

- 1.1 The Internal Audit Charter provides the functional and organisational framework in which Internal Audit operates to best serve Stockport Council and to meet its professional obligations under the Public Service Internal Audit Standards (PSIAS).
- 1.2 PSIAS encompass the mandatory elements of the Global Institute of Internal Auditor's International Professional Practices Framework including its definition of internal auditing, code of ethics, and international standards for the professional practice of internal auditing, and applies to all public sector internal audit service providers in the United Kingdom, whether in-house, shared or outsourced. A CIPFA Local Government Application Note (LGAN) sets sector-specific requirements for the application of the PSIAS in local government organisations.
- 1.3 This document sets out the purpose, authority, responsibilities and objectives of Internal Audit within the Council. It also establishes internal audit's position and the nature of the Head of Internal Audit, Risk and Insurance's functional reporting relationships with the Audit Committee.

2. Definitions

- 2.1 For the purpose of this Charter, the following definitions of PSIAS terms apply here in the Council.

- Internal Audit: "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".
- Audit Committee: the "Board"
- Corporate Leadership Team: "Senior management"
- Internal Audit and Risk Manager: the "Chief Audit Executive"

3 The statutory regime and related requirements

- 3.1 Internal Audit is a statutory service in the context of the Accounts and Audit Regulations 2015 which state that:

"a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance"
- 3.2 The PSIAS and their accompanying LGAN have been recognised as "proper practices" by the Department for Communities and Local Government which sponsors the Accounts and Audit Regulations.

- 3.3 In addition the Local Government Act 1972 (section 151) states that local authorities are required to “make arrangements for the proper administration of their financial affairs”. It is this legislation that requires internal audit to maintain a focus on internal financial controls as well as the controls over the Council's wider risks as required by the Accounts and Audit Regulations.
- 3.4 The Council's Constitution sets out Internal Audit's constitutional role and rights of access to all records, properties, physical assets and explanations from Officers in the course of its assignments.

4 Purpose

- 4.1 Internal Audit is described by the Chartered Institute of Internal Auditors as a key component of corporate governance. When properly resourced, positioned and targeted, internal auditors act as invaluable eyes and ears for senior management and audit committees inside their organisations, giving an unbiased and objective view on what's happening in the organisation.
- 4.2 Internal audit's core purpose is to provide the Corporate Leadership Team and the Audit Committee with independent, objective assurance that the Council has adequate and effective systems of risk management, internal control and governance. The Audit Committee is responsible for providing oversight of the audit process, the system of internal controls, risk management and governance.
- 4.3 Internal audit supports the Corporate Director, Corporate and Support Services (s151 officer) to discharge his responsibilities under section 151 of the Local Government Act 1972, the Accounts and Audit Regulations 2015 and the CIPFA Statement on the Role of the chief Financial Officer in Local Government. This statement places on the Chief Financial Officer, the responsibility for ensuring that the Council has put in place effective arrangements for internal audit of the effectiveness of the Council's systems of governance, risk management and internal control as required by PSIAS.
- 4.4 Internal Audit supports the Head of Paid Service (Chief Executive) in providing high level assurances relating to the Council's governance arrangements.
- 4.5 Internal Audit also supports the Monitoring Officer in discharging her responsibilities for providing advice on vires issues, maladministration, financial impropriety, probity, Code of Conduct, policy framework and investigating cases reported under the confidential reporting policy as appropriate.

5 Core Principles

- 5.1 For an internal audit function to be considered effective, all Principles should be present and operating effectively
- Demonstrates integrity
 - Demonstrates competence and due professional care
 - Is objective and free from undue influence (independent)
 - Aligns with the strategies, objectives, and risks of the organisation
 - Is appropriately positioned and adequately resourced
 - Demonstrates quality and continuous improvement
 - Communicates effectively

- Provides risk-based assurance
- Is insightful, proactive, and future-focused
- Promotes organisational improvement

5.2 The following sections set out how the Council's Internal Audit Service meets these core principles.

6 Independence, authority and objectivity

- 6.1 Independence is essential to the effectiveness of the Internal Audit function. Internal Audit must be, and must be seen to be, independent of the activities and processes, which it appraises to ensure it is able to perform its duties in an objective manner and provide impartial advice to senior management and the Board.
- 6.2 Internal Audit is independent of all of the activities of the Council (with the exception of its support to management in relation to risk management, counter fraud and investigatory work) to ensure it is able to appraise the Authority's governance, risks and internal control systems in the impartial and unbiased manner essential to the proper conduct of audits. No internal auditors have any other executive or operational responsibilities. Auditors are expected to deploy impartial and effective professional judgement.
- 6.3 To ensure this independence, Internal Audit operates within a framework that allows unfettered and unrestricted access to all council officers, senior management and elected Members. As such, all Internal Audit staff have the right to all documentation held by the Council and to seek explanations as they see necessary to effectively discharge their duties, from all officers and Elected Members of the Council.
- 6.4 The Head of Internal Audit, Risk and Insurance has direct access to and freedom to report in his / her own name to all senior management and officers including the Corporate Director, Corporate and Support Services, Corporate Directors, Chief Executive, Audit Committee and Elected Members, particularly those charged with governance. The work of Internal Audit will only be reported in accordance with the direction and agreement of the Head of Internal Audit, Risk and Insurance.
- 6.5 All auditors are required to make an annual declaration of their interests, which is updated every year as necessary. Where internal audit staff has a real or perceived conflict of interest in undertaking a particular piece of work, staff are required to declare any potential conflict of interest and the work will then be reassigned to another auditor. This is managed through the internal audit management and supervisory process to maintain the operational independence of the Internal Audit service as a whole.

7 Responsibilities and Scope

Responsibilities of Internal Audit

- 7.1 The Head of Internal Audit, Risk and Insurance is responsible for:
- a. the effective review of all aspects of governance, risk and internal control throughout the full range of the Council's activities.
 - b. developing an annual audit plan based on an understanding of the significant risks to which the Council is exposed.

APPENDIX 1

- c. the determination and development of a strategic plan for the service. This strategic plan will establish the future strategic direction for Internal Audit within the Council.
- d. the management of the provision of a complete professional internal audit service to the Council that is compliant with the Public Sector Internal Audit Standards.
- e. the monitoring and reporting of the performance of the Internal Audit service in accordance with the documented Internal Audit Performance Management Framework.
- f. the production and reporting of an annual audit opinion based on the outcomes of internal audit work conducted throughout the year.
- g. providing advice and guidance on risks and the application and development of internal controls.
- h. the fostering of good working relationships with External Audit with an aim to achieving mutual recognition and respect, leading to a joint improvement in performance and the avoidance of unnecessary overlapping of work.
- i. assessing all matters of potential fraud or irregularity in line with the requirement of the Council's Anti-Fraud and Corruption Policy. Internal audit will undertake investigations into such matters under the direction of the Fraud and Irregularities Panel.

Scope of Internal Audit's work

- 7.2 The scope of Internal Audit allows for unrestricted coverage of the authority's activities and unfettered access to all records, assets, personnel and premises deemed necessary in the course of its work. The nature of internal audit's assurance services includes
 - All council systems, processes, policies, plans and procedures
 - Use of and safeguarding of resources and assets, including data
 - Governance and risk management processes
 - Commissioning and procurement
 - Projects and programmes; and
 - Counter fraud, including investigations of allegations of fraud and corruption
- 7.3 Internal Audit has unrestricted access to all authority employees and Elected Members and the authority to obtain such information and explanations, as it considers necessary to fulfil its responsibilities.
- 7.4 Where the Council works in partnership with other organisations, the role of Internal Audit will be defined on an individual basis.
- 7.5 Where Internal Audit undertakes work on behalf of any other organisations, this will be determined in conjunction with the organisation's board and in consultation with the Corporate Director, Corporate and Support Services to ensure that appropriate audit resources are available to provide assurance over the Council's activities. External assurance work will result in an assurance statement to the organisation's Board and recommendations to senior management.
- 7.6 Due to its detailed knowledge of Council's systems and processes, Internal Audit may undertake consultancy work in addition to its primary assurance role. Examples of this may include counsel, advice, facilitation and training. The scope of any consultancy work will be agreed with management and will only be undertaken where

resources permit without impacting on the annual assurance process. In line with the PSIAS, approval will be sought from the Audit Committee before any significant unplanned consultancy work is accepted.

Limitations of Internal Audit Responsibilities

- 7.7 In seeking to discharge the responsibilities detailed above, and in line with the responsibilities of Internal Audit set out in 6.1 above, it should be noted that the existence of Internal Audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner. Specifically Internal Audit Service is not responsible for:
- Controlling the risks of the Council
 - Establishing and maintaining systems of internal control
 - Determining operational policies or procedures
 - Ensuring the prevention or detection of fraud and irregularity

8 Reporting lines

- 8.1 The Head of Internal Audit, Risk and Insurance reports operationally to the Corporate Director, Corporate and Support Services (Section 151 Officer) and functionally to the Audit Committee. This ensures that the Head of Internal Audit, Risk and Insurance is independent of any of the services, systems and processes that may be the subject of internal audit review.
- 8.2 On a day to day basis internal audit will report the outcomes of its work to the senior officer responsible for the area under review. Progress and performance of Internal Audit is monitored by the Corporate Director, Corporate and Support Services who is charged with ensuring the Council has put in place effective arrangements for Internal Audit of the control environment and systems of internal control as required by professional standards.
- 8.3 The work of internal audit is reported to the Chief Executive in full and to the Audit Committee in summary via a quarterly progress report.
- 8.4 The Head of Internal Audit, Risk and Insurance also has direct access to the Chair of the Audit Committee as he considers appropriate.

9 Resourcing and Professionalism

- 9.1 Internal audit will be staffed according to the staffing structure as approved by the Corporate Leadership Team and the Audit Committee. The three-year plan for internal audit staffing will be as defined within the internal audit strategy and will aim to maintain a suitable mix of experienced and qualified staff.
- 9.2 Stockport Council's performance and development review scheme is applicable to all staff within the Internal Audit Service. The Service supports continuous staff performance appraisal and development, and assessment of training needs. Individual training needs are established and agreed through the performance appraisal process and regular one-to-one meetings and it is the intention that an appropriate training budget will be maintained to ensure training needs are addressed each year.

- 9.3 Compliance with the PSIAS and its associated Code of Ethics promotes an ethical, professional culture. Internal Audit officers are subject to the PSIAS Code of Ethics, Council's Code of Conduct for Employees and are governed by the ethical codes of professional bodies to which they belong. Staff are reminded of the need to comply with the Code on an annual basis and staff are required to sign and date a Code of Ethics declaration form in April each year.

10 Reporting

- 10.1 All internal audit assignments will be the subject of formal reports. Draft reports will be sent to the manager(s) responsible for the area under review for agreement of the factual accuracy of findings and the implementation of recommendations made to address weaknesses in internal controls.
- 10.2 Once agreed, final reports will be copied to the all relevant stakeholders as identified in the agreed scoping document.
- 10.3 Internal Audit will report regularly on the results of its work to Senior Management (through quarterly SMT meetings) and the Audit Committee, highlighting significant control issues and potential for improving risk management and internal control processes.

Public Sector Internal Audit Standard 1300

1300 Quality Assurance and Improvement Programme

The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.

Interpretation:

A quality assurance and improvement programme is designed to enable an evaluation of the internal audit activity's conformance with the *Definition of Internal Auditing* and the *Standards* and an evaluation of whether internal auditors apply the *Code of Ethics*. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

1310 Requirements of the Quality Assurance and Improvement Programme

The quality assurance and improvement programme must include both internal and external assessments.

1311 Internal Assessments

Internal assessments must include:

Ongoing monitoring of the performance of the internal audit activity; and

Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.

Interpretation:

Ongoing monitoring is an integral part of the day-to-day supervision, review and measurement of the internal audit activity. Ongoing monitoring is incorporated into the routine policies and practices used to manage the internal audit activity and uses processes, tools and information considered necessary to evaluate conformance with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*.

Periodic assessments are conducted to evaluate conformance with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*.

Sufficient knowledge of internal audit practices requires at least an understanding of all elements of the International Professional Practices Framework.

1312 External Assessments

External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The chief audit executive must discuss with the board:

The form of external assessments;

The qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.

Interpretation:

External assessments can be in the form of a full external assessment, or a self-assessment with independent external validation.

A qualified assessor or assessment team demonstrates competence in two areas: the professional practice of internal auditing and the external assessment process. Competence can be demonstrated through a mixture of experience and theoretical learning. Experience

gained in organisations of similar size, complexity, sector or industry and technical issues is more valuable than less relevant experience. In the case of an assessment team, not all members of the team need to have all the competencies; it is the team as a whole that is qualified. The chief audit executive uses professional judgment when assessing whether an assessor or assessment team demonstrates sufficient competence to be qualified.

An independent assessor or assessment team means not having either a real or an apparent conflict of interest and not being a part of, or under the control of, the organisation to which the internal audit activity belongs.

Public sector requirement

The chief audit executive must agree the scope of external assessments with an appropriate sponsor, eg the Accounting/Accountable Officer or chair of the audit committee as well as with the external assessor or assessment team.

1320 Reporting on the Quality Assurance and Improvement Programme

The chief audit executive must communicate the results of the quality assurance and improvement programme to senior management and the board.

Interpretation:

The form, content and frequency of communicating the results of the quality assurance and improvement programme is established through discussions with senior management and the board and considers the responsibilities of the internal audit activity and chief audit executive as contained in the internal audit charter. To demonstrate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. The results include the assessor's or assessment team's evaluation with respect to the degree of conformance.

Public sector requirement

The results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report.

1321 Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"

The chief audit executive may state that the internal audit activity conforms with the International Standards for the Professional Practice of Internal Auditing only if the results of the quality assurance and improvement programme support this statement.

Interpretation:

The internal audit activity conforms with the Standards when it achieves the outcomes described in the Definition of Internal Auditing, Code of Ethics and Standards.

The results of the quality assurance and improvement programme include the results of both internal and external assessments. All internal audit activities will have the results of internal

assessments. Internal audit activities in existence for at least five years will also have the results of external assessments.

1322 Disclosure of Non-conformance

When non-conformance with the Definition of Internal Auditing, the Code of Ethics or the Standards impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the non-conformance and the impact to senior management and the board.

Public sector requirement

Instances of non-conformance must be reported to the board. More significant deviations must be considered for inclusion in the governance statement.

Internal Audit Quality Control Checklist

APPENDIX 3

Internal Audit and Risk Manager - Quality Review	
Planning and Scoping	
Planning Checklist completed	Yes/No/NA
Planning Time Allocation Sheet completed	Yes/No/NA
Auditor has conducted adequate research in the area	Yes/No/NA
Scope of audit is clear	Yes/No
Develop a Risk and Control Evaluation Matrix	Yes/No
Initial meeting held and minutes of agreed actions noted	Yes/No/NA
Client notification discussed with IAandRM prior to issue	Yes/No/NA
Client notification issued	Yes/No/NA
Customer Satisfaction Survey issued	Yes/No
Risks are consistent with review scope	Yes/No/NA
Testing Strategy developed	Yes/No/NA
Fieldwork	
Risk and Control Evaluation Matrix (RCEM) completed	Yes/No/NA
Relevant key risks identified	Yes/No
Testing Strategy and Sample Methodology completed and agreed with GA	Yes/No
Relevant controls tested	Yes/No
Supervisory/peer review of RCEM and Test Schedule completed	Yes/No
All key documents on file and file appropriately referenced	Yes/No
Testing and Evaluation	
Evaluation supported by results of interviews and testing	Yes/No
All findings highlighted in RCEM and SOFS	Yes/No/NA
Supervisory/peer review of RCEM completed	Yes/No
Reporting	
Draft report includes all points raised from fieldwork	Yes/No/NA
Risks properly explained and recommendations practical	Yes/No/NA
Draft report discussed with IAandRM prior to issue if appropriate	Yes/No/NA
Audit file given to IAandRM prior to the draft report being issued	Yes/No/NA
GA review of draft report completed	Yes/No/NA
Draft discussed with relevant auditees	Yes/No/NA
Agreed action plan completed and signed	Yes/No/NA
IAandRM review of final report completed	Yes/No
Final report issued	Yes/No

Signature: _____

Date:

Post Audit Questionnaire

APPENDIX 4

Purpose

As part of our quality control process, and in order to ensure that high standards are maintained, we would be pleased if you would complete the following evaluation of the Internal Audit Service. In providing objective feedback you will be helping us to identify service improvements and to deliver more effective support to the Council in the future. All replies will be treated confidentially but a follow-up meeting to discuss any matters raised is encouraged where this would be of benefit to both parties.

Kind regards
John Pearcell

Internal Audit and Risk Manager 0161 474 4033
Stopford House

Date

Please put a score against each statement using the criteria below and make any comments.

1 = strongly disagree 2 = disagree 3 = agree 4 = strongly agree

Audit review:		Auditor:	
Statement	Score	Comments	
The scope of the review was clearly communicated to me at the start of the review.			
The scope of the review was appropriate to my areas of business risk.			
The audit was completed within an acceptable timescale.			
My business concerns and perspectives were adequately considered during the audit review.			
I was kept reasonably informed of progress during the audit review.			
I found the auditors knowledgeable and professional.			
The audit team were constructive, courteous and positive in their approach.			
The audit recommendations were relevant and useful.			
I consider that the overall quality of the review was high.			
The review has added value to my service / department.			

What aspects of the audit were considered most helpful

What aspects of the audit could have been improved?

Please make any additional comments about how we could improve our internal audit service.

Internal Performance Measures

APPENDIX 5

Performance Indicator	2020/21 Target
Percentage of audits completed within budget	85%
Timescale taken to complete audits	60 working days
Percentage of high level recommendations made and accepted	15 – 30%
Chargeable time	80%
Productivity	Subjective assessment

Annual Performance Feedback From

APPENDIX 6

Service

A number of performance indicators have been adopted by Internal Audit and one of the most important of these is your view of the service you receive. Can you please complete and return this survey. Your responses will help Internal Audit to develop and maintain continually high levels of professional service.

Are you satisfied that:

Internal Audit is proactive in ensuring its role and objectives are understood	Click to respond
Internal Audit demonstrates a good understanding of Stockport Council's objectives	Click to respond
There are clear and effective lines of communication between Internal Audit and yourself	Click to respond
Internal Audit Reports are a valuable management tool	Click to respond
Internal Audit can be relied upon to provide objective and independent advice	Click to respond
Internal Audit staff respect confidentiality	Click to respond
Please add any additional comments and/or suggestions	

Name	
Position	
Date	