

Appendix A

Assessment of the Effectiveness of the Internal Audit Provider

- *Definition of Internal Auditing*

This section includes how the principles of independence and objectivity are embedded and how internal audit employs a disciplined and systematic approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation.

- *Code of Ethics*

This section covers how internal auditors conform with the principles of integrity, objectivity, confidentiality and competency.

- *Attribute Standards*

This section covers the purpose, authority and responsibility of internal audit and requirements for proficiency and due care. It also includes quality and improvement practices.

- *Performance Standards*

This section includes how audit activity is managed and planned and also communications between internal audit, management and the Joint Independent Audit Committee.

Example evidence of compliance:

Quality Assurance & Improvement Programme
Internal Audit Charter
Local Audit Manual
Internal Audit Charter
Annual Audit Plan & Strategy
Certificates of Independence
Achievement & Development process
Team meetings and training
JIAC update reports on internal audit activity
Assignment working papers

Improvement action plan arising from Self-Assessment:

Bribery Act training to be delivered to Internal Audit staff

Develop expertise in the specific areas of contract auditing and computer assisted audit techniques.

Undertake full review of Local Audit Manual guidance for auditors

Development of a formal approach for auditors when are undertaking consultancy engagements

Develop and implemented retention requirements for all types of audit records and a policy on the release of audit findings and communications to outside parties.