

Appendix B - Self-Assessment Against the CIPFA Statement on the Role of the Head of Internal Audit (HIA)

Principle	Principle Definition	The Organisation: Governance Requirements	The Role: Core HIA Responsibilities	The Individual: Personal Skills/ Professional Standards
1	<p>The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks and commenting on responses to emerging risks and proposed developments</p>	<p>CIA's (Chief Internal Auditor's) role in the organisation's governance is set out in the Terms of Reference ToR (Audit Charter) which comply with UK Public Sector Internal Audit Standards (UKPSIAS). These were last considered by the Joint Independent Audit Committee (JIAC) on 16th September 2013. The ToR establishes:</p> <p>The responsibility & objectives of IA;</p> <ul style="list-style-type: none"> • Organisational independence; • Accountability & reporting lines; • The contribution made by the CIA to the internal control environment (including an assessment of its effectiveness) which in turn contributes to the Annual Governance Statement; • The access to all records, assets, personnel and premises; • The requirement of the CIA to provide an annual audit opinion on the internal control environment. 	<p>CIA helps promote good governance through an annual risk based audit programme, quarterly progress reports to the JIAC and an annual audit opinion report. CIA leads an Internal Audit section which contributes to major projects, both on an ongoing or an ad-hoc basis, through a programme of proactive systems development and project work.</p>	<p>The Internal Audit Strategy is reviewed by the CIA annually and revised as necessary to reflect any prevailing risks to the PCC and Chief Constable.</p> <p>CIA undertakes consultation exercises with senior managers to feed into annual plan.</p> <p>CIA regularly identifies and disseminates 'best practice' through audit provision across several clients both in and outside of the public sector.</p>
2	<p>The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by giving an objective and evidence based opinion on all</p>	<p>Established through Internal Audit's ToR the CIA has clear lines of responsibility to the Chair of the JIAC, PCC, PCC's Chief Executive, Force Command Team and the Section 151 Officer for both the PCC and Chief Constable.</p> <p>CIA produces an 'Audit Strategy' which is approved by the JIAC.</p>	<p>CIA produces an 'Annual Audit Opinion Report' which gives assurance to the PCC and Chief Constable on the effectiveness of the internal control environment.</p> <p>CIA liaises regularly with those discharged with the organisation's external audit responsibilities. CIA ensures that audit</p>	<p>CIA reports both in detail and in summary on all principal audit findings and control / system weaknesses to the Audit Committee without interference or influence from the Police Service or auditees.</p> <p>All audit findings are evaluated and</p>

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	<p>aspects of governance, risk management and internal control.</p>	<p>Protocols that define Internal Audit's working relationships are also set out in the Scheme of Delegation and Financial Regulations.</p>	<p>work is not driven by priorities of external audit. As a minimum 'managed audit' requirement CIA ensures that audits of the fundamental financial systems are performed on an annual basis.</p> <p>CIA produces an Internal Audit Strategy which is reviewed annually to reflect both organisations' prevailing risks.</p> <p>The annual audit planning process is aligned (as closely as possible) to the corporate departmental / command risks. To place reliance on the risk registers the CIA must regularly evaluate and assess the organisation's risk maturity and risk appetite.</p> <p>CIA liaises regularly and where necessary with other external bodies including those with inspection/assurance responsibilities such as Mazars, Home Office & HMIC.</p>	<p>assessed against the risk to the organisation.</p> <p>CIA ensures that recommendations presented are realistic, pragmatic and risk based.</p> <p>CIA ensures that all significant recommendations are followed up on a regular and timely basis and that the progress in actioning these is reported regularly to the JIAC.</p>
3	<p>The HIA in a public service organisation must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee.</p>	<p>CIA reports directly to the PCC and CC's Section 151 Officer but with direct line of reporting to the PCC, Chief Constable and Chair of the JIAC.</p> <p>CIA has clear lines of responsibility and reporting to the JIAC.</p> <p>The CIA has access to the senior management/leadership teams within the OPCC and Force as required.</p>	<p>CIA liaises and consults with key PCC and Force stakeholders in, both, revising the annual audit strategy and in the drafting of the annual audit programme.</p> <p>CIA provided with an unfettered opportunity to escalate any significant concerns through reports or direct submissions to the JIAC.</p>	<p>CIA has developed and maintained effective professional working relationships with a range of internal & external stakeholders.</p> <p>CIA attends and reports to the JIAC.</p> <p>CIA ensures that all audit programmes are flexible in nature and reflect the developing needs of the PCC and CC.</p>

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		As established within the ToR the CIA leads an audit function which has unrestricted access to all people, systems and records within the organisation.		CIA networks both internally and externally. Presentations previously made to business/service managers and training has been delivered to the JIAC in April 2014.
4	The HIA in a public service organisation must lead and direct an internal audit service that is resourced to be fit for purpose.	<p>All internal auditors are fully or partially qualified (CCAB & AAT) or are currently undergoing professional training.</p> <p>Monthly local performance targets are produced which are reported into the Audit & Improvement Committee.</p> <p>Client Questionnaires are circulated electronically which are incorporated into the CIA's quality control function.</p> <p>Plan is developed on risk based approach prior to looking at resource implications.</p>	<p>CIA ensures that the Internal Audit Service is resourced to be fit for purpose through:</p> <ul style="list-style-type: none"> • Training support to undertake professional qualifications; • On the job/in-house training (e.g. Risk Management); • Regular A&D's and client surveys which are used to identify training and development needs; • Review of job profiles to ensure all staff responsibilities are clearly defined and recognised. • Internal Audit Development Plan. <p>CIA regularly attends conferences, courses and other networking opportunities (e.g. Police Audit Group, Tyne & Wear Heads of Internal Audit Group, CIPFA North East Audit Group etc), keeping up to date with recent audit developments and current best practice in the public sector.</p>	<p>Internal Audit strategies comply with UKPSIAS.</p> <p>Annual planning involves extensive consultation with all stakeholders, including senior managers.</p> <p>Client questionnaires are circulated electronically for feedback in relation to audits performed. These aim to enhance customer focus.</p> <p>Innovative arrangements to manage skills gaps i.e. Newcastle IT audit arrangement.</p> <p>Works in partnership where appropriate with other relevant parties i.e. Joint Working Protocol with Professional Standards Department.</p>
5	The HIA in a public service organisation must be professionally	- CIA is CIPFA qualified with over 16 year's public sector experience.		CIA is CIPFA qualified and "in-date" for CPD.

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	qualified and suitably experienced.	<p>The core responsibilities of the CIA role are clearly defined in the job profile, the Internal Audit ToR and the respective Financial Regulations.</p> <p>CIA has the appropriate experienced and qualified resources (see above) within the audit section to fulfil the audit provision as set out in the Annual Audit plan.</p>		<p>CIA manages an Internal Audit Section which operates according to UKPSIAS.</p> <p>CIA has over 16 years experience in the public sector of which the last 4 years have been as CIA.</p>