

## Appendix B - Self-Assessment against the CIPFA Statement on the Role of the Head of Internal Audit

Principle	Principle Definition	The Organisation: Governance Requirements	The Role: Core HIA Responsibilities	The Individual: Personal Skills/ Professional Standards
1	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>Chief Internal Auditor's (CIA) role in the organisation's governance is set out in the Audit Charter which complies with UK Public Sector Internal Audit Standards (UKPSIAS). These were last considered by the Joint Independent Audit Committee (JIAC) on 15<sup>th</sup> September 2014. The Terms of Reference (ToR) establishes:</p> <p>The responsibility, objectives and scope of Internal Audit:</p> <ul style="list-style-type: none"> <li>• Organisational independence;</li> <li>• Accountability &amp; reporting lines;</li> <li>• The contribution made by the CIA to the internal control environment, including an assessment of its effectiveness. This assessment contributes to the Annual Governance Statement;</li> <li>• The access to all records, assets, personnel and premises;</li> <li>• The requirement of the CIA to provide an annual audit opinion on the internal control environment.</li> </ul>	CIA helps promote good governance through an annual risk based audit programme, quarterly meetings of the joint governance monitoring group, quarterly progress reports to the JIAC, and an annual audit opinion report.	<p>The Internal Audit Strategy is reviewed by the CIA annually and revised as necessary to reflect any prevailing risks to the Police and Crime Commissioner (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	The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by giving an objective and evidence	Established through Internal Audit's ToR the CIA has clear lines of responsibility to the Chair of the JIAC, PCC, Chief Constable, PCC's Chief Executive, Force Command Team and the Section 151 Officer for both the PCC and Chief Constable.	<p>CIA produces an Annual Audit Opinion 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</p>	<p>CIA reports both in detail and in summary on all principal audit findings and control and system weaknesses to the JIAC without interference or influence from the Police Service or auditees.</p> <p>All audit findings are evaluated and</p>

## Appendix B - Self-Assessment against the CIPFA Statement on the Role of the Head of Internal Audit

Principle	Principle Definition	The Organisation: Governance Requirements	The Role: Core HIA Responsibilities	The Individual: Personal Skills/ Professional Standards
	based opinion on all aspects of governance, risk management and internal control.	<p>CIA produces an Audit Strategy, which is approved by the JIAC.</p> <p>Protocols that define Internal Audit's working relationships are also set out in the Scheme of Delegation and Financial Regulations.</p>	<p>responsibilities. CIA ensures that audit work is not driven by priorities of external audit. As a minimum, the CIA ensures that audits of all fundamental financial systems are performed annually.</p> <p>CIA produces a three year rolling Audit Strategy, this is reviewed annually to reflect the prevailing risks and is presented to the JIAC prior to the start of the financial year.</p> <p>The annual audit planning process incorporates the organisational risks as identified in the risk register. To place reliance on the risk registers the CIA evaluates and assess' the organisation's risk maturity and risk appetite.</p> <p>CIA liaises with other external bodies including those with inspection/assurance responsibilities such as Mazars, Home Office &amp; HMIC.</p>	<p>assessed against the risk to the organisation.</p> <p>CIA ensures that recommendations presented are objective, pragmatic and risk based.</p> <p>CIA ensures that all recommendations are followed up on a timely basis and that the progress in actioning these is reported to the JIAC.</p>
3	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	<p>CIA reports directly to the PCC and CC's Section 151 Officer but with direct line of access 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</p>	<p>CIA liaises and consults with key PCC and Force stakeholders in revising the annual audit strategy and the annual audit programme.</p> <p>CIA has unfettered access to escalate any 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 &amp; external stakeholders.</p> <p>CIA attends and reports to the JIAC.</p> <p>CIA ensures that audit programmes are flexible in nature and are developed to</p>

## Appendix B - Self-Assessment against the CIPFA Statement on the Role of the Head of Internal Audit

Principle	Principle Definition	The Organisation: Governance Requirements	The Role: Core HIA Responsibilities	The Individual: Personal Skills/ Professional Standards
	Committee.	<p>management and leadership team within the OPCC and Force.</p> <p>As established within the ToR the CIA leads an audit function which has unrestricted access to all people, systems and records within the organisation.</p>		<p>ensure testing is reflective of the current operational procedures, process and structures of the PCC and CC.</p> <p>CIA networks both internally and externally. Presentations previously made to business/service managers and training has been delivered to the JIAC in April 2014.</p>
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 qualified (CCAB &amp; AAT).</p> <p>Monthly local performance targets are produced.</p> <p>Client Questionnaires are circulated with the results incorporated into the CIA's quality control function.</p> <p>The Audit Plan is developed using a risk based approach and considers 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"> <li>• Training support to undertake professional qualifications;</li> <li>• On the job and in-house training;</li> <li>• Regular Achievement &amp; Development reviews and client surveys which are used to identify training and development needs;</li> <li>• Review of job profiles to ensure all staff responsibilities are clearly defined and recognised.</li> <li>• Internal Audit Development Plan.</li> </ul> <p>CIA regularly attends conferences, courses and other networking opportunities (e.g. Police Audit Group, Tyne &amp; 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>The Internal Audit Service complies with UKPSIAS as evidenced by an external and independent assessment carried out by external auditors reported to JIAC on 23 February 2015.</p> <p>Annual planning involves consultation with stakeholders, including senior managers.</p> <p>Client questionnaires are circulated for feedback in relation to Internal Audit's performance. These aim to enhance customer focus.</p> <p>Innovative arrangements to manage skills gaps i.e. Newcastle IT audit arrangement.</p> <p>Where appropriate the Internal Audit Service will work in partnership with other relevant parties i.e. Joint Working Protocol with Professional Standards Department.</p>

**Appendix B - Self-Assessment against the CIPFA Statement on the Role of the Head of Internal Audit**

<b>Principle</b>	<b>Principle Definition</b>	<b>The Organisation: Governance Requirements</b>	<b>The Role: Core HIA Responsibilities</b>	<b>The Individual: Personal Skills/ Professional Standards</b>
<b>5</b>	The HIA in a public service organisation must be professionally qualified and suitably experienced.	<p>- CIA has 32 years local authority experience and has been CIPFA qualified for 15 years.</p> <p>The core responsibilities of the CIA role are clearly defined in the job profile, the Internal Audit Terms of Reference and 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 is CIPFA qualified and takes personal responsibility for continuous professional development (CPD) in accordance with institute requirements</p> <p>CIA manages an Internal Audit Section which operates according to UKPSIAS and has been externally assessed as substantially compliant.</p> <p>CIA has 32 years experience in local authority finance.</p>