

Appendix A – 2016-17 Self-Assessment against the CIPFA Role of the Head of Internal Audit (HIA) Statement

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>Chief Audit Executive (CAE) role in the organisation's governance is set out in the Audit Charter which complies with UK Public Sector Internal Audit Standards (UKPSIAS). The Terms of Reference (ToR) establishes:</p> <p>The responsibility and objectives of Internal Audit:</p> <ul style="list-style-type: none"> • Organisational independence; • Accountability & reporting lines; • The contribution made by the CAE 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, except covert; • The requirement of the CAE to provide an annual audit opinion on the internal control environment. 	<p>CAE 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> <p>Role of the Internal Audit Service are defined in the scope of the Audit Charter which is reviewed annually</p>	<p>The Internal Audit Strategy is reviewed by the CAE annually and revised as necessary to reflect any prevailing risks to the Police and Crime Commissioner (PCC) and Chief Constable.</p> <p>CAE undertakes consultation exercises with senior managers to feed into annual plan.</p> <p>CAE identifies and disseminates best practice through audit provision across different organisations in 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 aspects of governance,</p>	<p>Established through Internal Audit's ToR the CAE 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> <p>CAE produces an Audit Strategy,</p>	<p>CAE produces an Annual Audit Opinion which gives assurance to the PCC and Chief Constable on the effectiveness of the system of internal control.</p> <p>CAE liaises regularly with those discharged with the organisation's external audit responsibilities. CAE ensures that audit work is not driven by priorities of</p>	<p>CAE 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 assessed against the risk to the organisation.</p>

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	risk management and internal control.	<p>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>external audit. As a minimum, the CAE ensures that audits of all fundamental financial systems are performed annually.</p> <p>CAE produces a three year rolling Audit Strategy which is reviewed annually to reflect the organisation's key risks. The strategy and plan are flexible, supportive, challenging, prioritised and timely which ensures the plan maintains focus on emerging risks.</p> <p>The Audit Strategy 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 register the CAE evaluates and assesses the organisation's risk maturity and risk appetite.</p> <p>CAE liaises with other external bodies including those with inspection/assurance responsibilities such as Mazars.</p>	<p>CAE ensures that recommendations presented are objective, pragmatic and risk based.</p> <p>CAE ensures that all recommendations are followed up at the agreed due date 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	<p>CAE 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>CAE has clear lines of responsibility and reporting to the JIAC.</p>	<p>CAE liaises and consults with key PCC and Force stakeholders in revising the annual audit strategy and the annual audit programme.</p> <p>CAE has unfettered access to escalate any concerns through reports or direct submissions to the JIAC.</p>	<p>CAE has developed and maintained effective professional working relationships with a range of internal & external stakeholders.</p> <p>CAE attends and reports to the JIAC.</p> <p>CAE ensures that audit programmes are</p>

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	with the Audit Committee.	<p>The CAE has access to the senior management and leadership team within the OPCC and Force.</p> <p>As established within the ToR the CAE leads an audit function which has unrestricted access to all people, systems and records within the organisation, subject to restrictions in relation to covert assets (as agreed by JIAC on 7 December 2015).</p>		<p>flexible in nature and are developed to ensure testing is reflective of the current operational procedures, process and structures of the PCC and CC.</p> <p>CAE networks both internally and externally.</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 or AAT) or are undertaking professional studies.</p> <p>Local performance targets are produced which are reported into the JIAC quarterly.</p> <p>Client Questionnaires are circulated with the results incorporated into the CAE's quality control function.</p> <p>The Audit Plan is developed using a risk based approach prior to looking at recourse implications.</p> <p>The service has undergone external assessment against PSIAS and was assessed as substantially compliant and all recommendations from the external assessment have been implemented.</p>	<p>CAE 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 and in-house training; • Regular Achievement & Development reviews 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; and • Internal Audit Development Plan. <p>CAE regularly attends conferences, courses and other networking opportunities keeping up to date with recent audit developments and current best practice in the public sector.</p>	<p>The Internal Audit Service complies with PSIAS.</p> <p>Annual planning involves consultation with stakeholders, including senior managers and JIAC members.</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.</p>

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5	<p>The HIA in a public service organisation must be professionally qualified and suitably experienced.</p>	<p>CAE has 18 years local authority experience and has been CIPFA qualified for 9 years.</p> <p>The core responsibilities of the CAE role are clearly defined in the job profile, the Internal Audit ToR and Financial Regulations.</p> <p>CAE 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>CEA is CIPFA qualified and takes personal responsibility for continuous professional development (CPD) in accordance with institute requirements</p> <p>The Internal Audit Section operates according to PSIAS and has been externally assessed as substantially compliant.</p> <p>CAE has 18 years' experience in local authority finance.</p>