

Requirement	GC	PC	DNC	Notes supporting assessment at 28 June 2023 (bold font = new/updated)
Mission of internal audit	Y			
Definition of Internal Auditing	Y			Replacement lead on LCC CRR process started 10/2022
Core Principles	Y			QAIP records the need to better demonstrate quality and continuous improvement
Code of Ethics	Y			All staff completed self-assessment of conformance in June 2022
1000 Purpose, Authority and Responsibility	Y			Missed target to review/revise charters – complete by end of September 2023 – reflect new relationships
1100 Independence and Objectivity	Y			LCC risk management maturity review by insurer planned for autumn
1110 Organisational Independence	Y			
1111 Direct Interaction with the Board	Y			
1120 Individual Objectivity	Y			
1130 Impairment to Independence or Objectivity	Y			By end of September 2023 – update Charters for guidance on fraud responsibility at all but City . Add in responsibility for insurance
1200 Proficiency and Due Professional Care	Y			
1210 Proficiency	Y			
1220 Due Professional Care	Y			
1230 Continuing Professional Development	Y			Complete full staff APR by end of September
1300 Quality Assurance and Improvement Programme	Y			Designed & implemented but needs updates on actions
1310 Requirements of the Quality Assurance and Improvement	Y			

Programme				
1311 Internal Assessments	Y			
1312 External Assessments	Y			EQA was completed in March 2018 'generally conforms'. Plan in summer 23 for autumn 23
1320 Reporting on the Quality Assurance and Improvement Programme	Y			
1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'	Y			
1322 Disclosure of Non-conformance	Y			
4 Performance Standards	Y			
2000 Managing the Internal Audit Activity	Y			
2010 Planning	Y			Needs a strategy and DA strategy
2020 Communication and Approval	Y			
2030 Resource Management	Y			Fully staffed team very experienced
2040 Policies and Procedures	Y			DA strategy + remote working Audit manual needs updating to incorporate remote working procedures
2050 Coordination	Y			
2060 Reporting to Senior Management and the Board	Y			

2070 External Service Provider and Organisational Responsibility for Internal Auditing	Y			
2100 Nature of Work	Y			
2110 Governance	Y			Need to re-establish performance management in the service
2120 Risk Management	Y			
2130 Control	Y			
2200 Engagement Planning	Y			
2210 Engagement Objectives	Y			
2220 Engagement Scope	Y			
2240 Engagement Work Programme	Y			
2300 Performing the Engagement	Y			
2310 Identifying Information	Y			
2320 Analysis and Evaluation	Y			Everyone in team now trained in basic DA. Senior Auditor is taking the lead and contributes to DA group for Midlands Counties and IIA
2330 Documenting Information	Y			
2340 Engagement Supervision	Y			HoIAS to re-establish quality checks
2400 Communicating Results	Y			
2410 Criteria for Communicating	Y			
2420 Quality of Communications	Y			Speed reports being trialled

2421 Errors and Omissions	Y			
2430 Use of ‘Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing’	Y			
2431 Engagement Disclosure of Non-conformance	Y			
2440 Disseminating Results	Y			
2450 Overall Opinion	Y			
2500 Monitoring Progress	Y			Started since 10/22 to f/u on ALL recommendations as per EA
2600 Communicating the Acceptance of Risks	Y			implement HoIAS review of any recommendations not agreed

Explanations of ‘conformance’

GC – “Generally Conforms” means the assessor has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual *Standard* or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformity to a majority of the individual *Standards* or elements of the Code of Ethics, and at least partial conformity to the others, within the section/category. There may be significant opportunities for improvement, but these should not represent situations where the activity has not implemented the *Standards* or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, “successful practice,” etc.

PC – “Partially Conforms” means the evaluator has concluded that the activity is making good-faith efforts to comply with the requirements of the individual *Standard* or element of the Code of Ethics, section, or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the *Standards* or Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the activity and may result in recommendations to senior management or the board of the organisation.

DNC – “Does Not Conform” means the evaluator has concluded that the activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many/all of the objectives of the individual *Standard* or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity’s effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board.

Neil Jones, Head of Internal Audit & Assurance Service, Leicestershire County Council 28 June 2023.

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