



Peter McCall

# Office of the Police and Crime Commissioner Report

REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°010 / 2021)

**TITLE:** Effectiveness of the Arrangements for Audit 2020/21

## Executive Summary:

The attached report provides details of the effectiveness of the arrangements for audit which covers arrangements for internal audit and the Joint Audit Committee. The report is provided for the Commissioner as part of a review of the overall contribution these functions make towards the arrangements for governance.

## Recommendation:

The Commissioner is asked to:

Effectiveness of Arrangements for Audit:

- The Commissioner is asked to consider this report and:
- Determine whether he is satisfied with the effectiveness of Internal Audit for the year to 31 March 2021 and to the date of this meeting, taking into account the views of the Joint Audit Committee, and
- Consider any areas where the Commissioner might wish to see improvements or changes in 2021/22.

## Police & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/~~do not approve~~ the recommendation above

**Police & Crime Commissioner / ~~Chief Executive~~ (delete as appropriate)**

**Signature:**

**Date: 2 June 2021**



## Cumbria Office of the Police and Crime Commissioner

Public Accountability Conference 02 June 2021: Agenda Item 11  
Joint Audit Committee 23 June 2021: Agenda Item 13

### Review of effectiveness of the arrangements for Audit 2020/21

A Joint Report by the Chief Executive and Joint Chief Finance Officer of the Police and Crime Commissioner and Chief Constable

#### 1. Introduction and Background

- 1.1. The Accounts and Audit Regulations 2015 removed the requirement within the 2011 Regulations to conduct an annual review of the effectiveness of the arrangements for audit. Assurances in respect of the arrangements for audit are however part of a robust governance framework. They support the Commissioner in placing reliance on the opinion of the Group Audit Manager (Head of Internal Audit) and support the Joint Audit Committee in placing reliance on the work and reports of the internal auditors. An effective internal audit service is also a characteristic within the seven principles of the CIPFA 2016 Good Governance Framework.
- 1.2. The Chartered Institute of Public Finance and Accountancy (CIPFA) defines the system of Internal Audit as the entirety of the arrangements for audit put in place by the entity, including the activities of any oversight committee. This report sets out an overall judgment, based on that review. The review comprises the arrangements for internal audit, detailed within this report and the arrangements for the Joint Audit Committee, detailed in the Committee's Review of Effectiveness. The review of effectiveness in relation to the Joint Audit Committee is now conducted over a biennial cycle as follows:

- Even Years – A report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance is produced.
- Odd Years - A 360' review of committee effectiveness which is private meeting between members, DCC, JCFO, CE & DCFO. This first review meeting has been arranged for the afternoon of 23 June 2021, following the JAC meeting in the morning.

1.3. The review process seeks to provide assurance that the arrangements are adequate and effective. This is based on a judgment made following an assessment of compliance with relevant codes and standards. For internal audit the review is undertaken against the Public Sector Internal Audit Standard (PSIAS). The review of the effectiveness of the arrangements for the Joint Audit Committee is undertaken in line with the CIPFA 2018 guidance<sup>1</sup> that provides an evaluation self-assessment framework and a checklist of good practice.

## 2. Effectiveness of the Internal Audit Function

2.1. The effectiveness of the internal audit function is reviewed on the basis of compliance by the Internal Audit shared service provider with the PSIAS. The Group Audit Manager is required under the PSIAS to include within his annual report, a statement of conformance with the Standards. Any instances of non-conformance must be reported to the Joint Audit Committee. Furthermore, any significant non-conformance should be considered for inclusion within the Commissioner and Chief Constable's respective Annual Governance Statements.

2.2. The Public Sector Audit Standards support audit effectiveness by setting out a set of requirements for the governance, management and delivery of internal audit. This includes a requirement to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of internal audit activity. Key elements of the QAIP include on-going monitoring of the performance of the internal audit activity, periodic assessment or self-assessment and external assessment. The QAIP also ensures that reasonable assurance is provided that Internal Audit is performing its work in accordance with its Internal Audit Charter, which is consistent with the PSIAS and that it operates in an effective and efficient manner.

2.3. The QAIP was presented to members of the Joint Audit Committee at their meeting 17 March 2021 for review. The QAIP report set out what was in place during 2020/21 and what is

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<sup>1</sup> audit committees\Practical Guidance for Local Authorities and Police

envisaged to be in place during 2021/22. The QAIP set out for members how audit engagements are supervised, how work including final reports are reviewed, arrangements for the audit manual and performance measures. The QAIP also includes the annual assessment of Internal Audit's conformance with its Charter and annual completion of the CIPFA checklist for assessing conformance with the PSIAS. At the same meeting members received the Internal Audit Charter. The Internal Audit Charter sets out the purpose, authority, responsibility and objectives of Internal Audit, providing clarity on how Audit works, its scope, lines of reporting and requirements in respect of objectivity and independence. The Charter, alongside the QAIP, supports the organisation and its auditors in ensuring the delivery of arrangements for Internal Audit that are effective. During the year members of the Joint Audit Committee have also received monitoring reports on actual performance against Internal Audit's performance framework at their quarterly meetings.

- 2.4. The summary of the outcomes of the completed self-assessment is attached to this report at Appendix A and is further supported by an evaluation of the role of the Group Audit Manager (Head of Internal Audit) against the CIPFA standard at Appendix B. The full 48 page checklist is retained on file for review by the External Auditors. The Annual Report of the Group Audit Manager (Head of Internal Audit), provided within this agenda, confirms that the Standards within the PSIAS have been complied with.
- 2.5. In November 2017, the first external quality assessment (EQA) of the internal audit function was carried out in line with the requirement of PSIAS to have an external assessment at least every five years. The outcome of this process was reported to members of the Joint Audit and Standards Committee at its meeting on 21 March 2018. The overall assessment was that the shared internal audit service "generally conforms" to the standards and this represents the highest of three possible outcomes. An action plan has been developed to address the seven recommendations contained within the EQA report. The next external quality assessment is due to be completed in November 2022.
- 2.6. The review of internal audit against the PSIAS provides the primary source of assurance. Further assurance of the effectiveness of internal audit was previously taken from the opinion provided by the external auditors. In 2020, the external auditor (Grant Thornton) has advised that they no longer use the work of internal audit to assist with their own work and as such have not provided an opinion on the work of internal audit.

### 3. Effectiveness of arrangements for an Audit Committee

3.1. The effectiveness of the arrangements for an audit committee is assessed by reviewing the arrangements for the Joint Audit Committee against the assessment criteria and checklist provided by CIPFA in its 2018 updated publication “audit committees, Practical Guidance for Local Authorities and Police”. The guidance document provides a detailed regulatory framework against which the work and activity of the committee, in addition to the overall arrangements, can be assessed and consideration given to areas for improvement and development. In a change from previous years, from 2020/21 the effectiveness of the committee is to be assessed on a biennial cycle as outlined in paragraph 1.2 above.

3.2. The key messages arising from the review carried out in 2020 are that:

- The Committee has continued to build on the firm foundations put in place at the inception of the OPCC, expanding and refining its remit in the light of changing circumstances and emerging trends.
- Members are recruited appropriately and the range of skills has been strengthened through recent appointments.
- The Committee’s remit complies with best practice.
- The Committee is supported by key members of the OPCC and Chief Constable’s management teams at all Committee meetings to ensure that members are appropriately informed when considering the issues.
- Audit Committee members have carried out their duties diligently, achieving 100% attendance, have made a valued contribution to governance arrangements and have taken action on specific issues. During 2020/21 as a result of the covid-19 pandemic, all meetings were held online using MS Teams.
- Members have continued to increase their formal and informal training and development activities.
- The first 360’ review of the committee has been scheduled for 23/06/21.

3.3. The overall conclusion and assessment from the review is that the Joint Audit Committee is effective in its operation. The review has demonstrated that within the areas of the self-

assessment carried out in 2021, the Committee can evidence substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as being evidence of effectiveness. Against the self-assessment checklist the committee achieves a consistent grade of the maximum score of 5 across all areas. The full report of the review of effectiveness is included on the agenda to this meeting.

#### 4. Conclusions

4.1. From the reviews described above, it is concluded that:

- i. The review of the internal audit shared service against the PSIAS, and supported by the review of the role of the Head of Internal Audit, demonstrates that the service is effective.
- ii. The annual review of the arrangements for an audit committee in accordance with the guidance, assessment criteria and checklists defined by CIPFA, demonstrates that the Joint Audit Committee is effective in its operation

4.2. When taken together, there are no material shortcomings in the effectiveness of the entirety of the Internal Audit arrangements for the year to 31 March 2021, or to the date of this meeting.

#### 5. Recommendations

5.1. Members of the Joint Audit Committee are asked to consider this report and:

- i. Determine whether they are satisfied with the effectiveness of Internal Audit for the year to 31 March 2021 and to the date of this meeting, and
- ii. Consider any areas where they might wish to make recommendations to the Commissioner and Chief Constable for improvements in 2021/22.

5.2. The Commissioner and Chief Constable are asked to consider this report and:

- i. Determine whether they are satisfied with the effectiveness of Internal Audit for the year to 31 March 2021 and to the date of this meeting, taking into account the views of the Joint Audit Committee, and
- ii. Consider any areas where they might wish to see improvements or changes in 2021/22.

Gill Shearer  
Commissioner's Chief Executive

Roger Marshall  
Joint Chief Finance Officer  
26 May 2021

**Human Rights Implications:** None Identified

**Race Equality / Diversity Implications:** None Identified

**Personnel Implications:** None Identified

**Financial Implications:** None Identified

**Risk Management Implications:**

The Annual Governance Statement and the underpinning reviews, including the effectiveness of arrangements for audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner and Chief Constable discharge their respective responsibilities.

**Contact points for additional information**

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## Review of Internal Audit Effectiveness

### 1. Definition of Internal Auditing

- 1.1. Internal audit work is carried out in line with the definition of internal auditing so as to provide independent assurance on the Commissioner's and Chief Constable's systems of risk management, governance and internal control.
- 1.2. All internal audit reviews result in an audit report detailing the level of assurance that can be given. Standard definitions are in place to ensure consistency in the assurance levels across the service.
- 1.3. Internal audit does not have any operational responsibilities, thereby ensuring its ability to independently review all of the Commissioner and Chief Constable's systems, processes and operations

### 2. Code of Ethics

- 2.1. The internal audit team have been made aware of the mandatory code of ethics within the PSIAS and have the opportunity to discuss this at team meetings.
- 2.2. All internal audit work is performed with independence and objectivity and all staff are aware of the need for them to declare any relevant business interests in order that any potential conflict of interest or compromise to audit objectivity is effectively managed.
- 2.3. Staff are aware of their responsibilities in relation to confidentiality and information governance.
- 2.4. Arrangements are in place to ensure that work is performed by staff with the appropriate skills, knowledge and experience and that training and development needs are identified through annual appraisals and six month reviews.



### 3. Purpose, Authority and Responsibility

- 3.1. An internal audit charter is in place which defines the purpose, authority and responsibility of internal audit as well as its rights of access to all information, premises and personnel for the purpose of completing internal audit reviews.
- 3.2. The charter sets out the functional reporting line of the Group Audit Manager / Audit Manager to the Joint Audit Committee to ensure internal audit independence.
- 3.3. The Audit Manager attends all meetings of the Joint Audit Committee.
- 3.4. The Audit Manager has direct access to the Chief Officer Group, the Chief Executive, the Commissioner and the Joint Audit Committee Chair.
- 3.5. The reporting lines for the Audit Manager ensure that internal audit independence is maintained and in line with the Standards, the Audit Manager reports directly to the Joint Chief Finance Officer (S151 Officer) who is a member of the Public Accountability Conference.
- 3.6. There have been no identified threats to internal audit independence or objectivity during the year.
- 3.7. The Standards refer to the arrangements for the Audit Manager's appraisal. Input and feedback should be obtained from the Chief Executive or equivalent and Chair of the Joint Audit Committee. This is a requirement of the employing organisation designed to protect the independence of the Audit Manager in relation to those audits that may be subject to undue influence, being within the area of the appraiser's responsibility. Whilst this is not a requirement for either the Commissioner or the Chief Constable, the Joint Chief Finance Officer, on behalf of both entities, will provide feedback on the performance of the Audit Manger as part of the arrangements for management of the shared audit service.

### 4. Proficiency and Due Professional Care

- 4.1. The Audit Manager is professionally qualified and experienced to deliver an effective internal audit service.
- 4.2. Job descriptions and person specifications reflect the duties required to deliver the risk-based approach to internal auditing and the skills needed to undertake the roles.

- 4.3. The team has a wide range of skills and experience brought about in part by the creation of the Shared Internal Audit Service which brought together a number of existing internal audit teams into a single service.
- 4.4. All audit work is undertaken with due professional care and reviewed by an Audit Manager to ensure that the work undertaken supports conclusions reached.
- 4.5. A Quality Assurance and Improvement Programme (QAIP) has been in place during 2020/21. The programme has been formally documented and was reported to the Joint Audit Committee on 17 March 2021. This includes the adoption of a comprehensive performance framework that is incorporated within the audit charter. The Joint Audit Committee have received quarterly reports monitoring actual performance against the framework.

## 5. Performance Standards

- 5.1. Internal audit work is undertaken to support the purpose of internal audit as defined within the audit charter. Management arrangements are in place to ensure that all work is delivered in accordance with the charter and to deliver relevant assurance to management, the Joint Audit Committee, the Commissioner and Chief Constable.
- 5.2. Risk based audit plans have been developed across the shared internal audit service. The plans have been developed to enable an overall annual opinion to be provided on the arrangements for governance, risk management and internal control.
- 5.3. In developing the plans, account has been taken of the organisation's risk management frameworks, the expectations of senior management and emerging national and local issues.
- 5.4. Audit plans have been developed based on a documented risk assessment. Arrangements are in place to report required amendments to audit plans to the Joint Audit Committee should this become necessary.
- 5.5. The plans identify the audit resources required to deliver them and arrangements are in place to allocate the workload across the audit team in advance to ensure all plans can be delivered.
- 5.6. Arrangements are in place to ensure the audit manual is continually updated as working practices continue to be reviewed.

5.7. Internal audit contributes to improving the Commissioner and Chief Constable's operations through delivery of approved audit plans. Internal audit recommendations are aimed at strengthening performance and risk management, governance and ethical policies and values and internal controls.

## 6. Engagement Planning

6.1. All internal audit reviews are scoped and a brief prepared setting out the scope and objectives of the audit work together. This process ensures that management input to the scope of each audit. A standard client notification document has been designed and has been used for all audit reviews. Audit scopes include consideration of systems, records, personnel and premises.

6.2. The audit planning process includes a preliminary assessment of risk for each audit included in the plan. Auditors then undertake research as part of planning individual audit reviews to identify specific risks within the area under review. Within the risk based approach, once the scope of an audit is agreed, a full risk identification exercise is undertaken as part of the audit fieldwork. This ensures that risk is considered throughout the audit process.

6.3. The Internal Audit management review process ensures that work plans are prepared for each audit that document how the audit objectives will be met and that sufficient audit work is undertaken to support conclusions reached.

6.4. There is a document retention policy in place to manage audit records.

6.5. All internal audit work is subject to management review, and there is a consistent approach in place to documenting and retaining evidence of this review.

6.6. All internal audit reports are issued in draft for management comments and agreement of the factual accuracy and completion of the action plan. Clients have the opportunity to discuss the draft reports with the auditor.

6.7. Audit final reports issued in relation to 2020/21 audit plans were accurate, comprehensive and complete. All contained an assurance statement and agreed action plan.

6.8. The Audit Manager produces an annual report to the Joint Audit Committee and the Public Accountability Conference, which includes the overall opinion on the arrangements for

governance, risk management and internal control. The report includes a summary of the work undertaken in support of the opinion.

## 7. Monitoring Progress

- 7.1. Arrangements are in place for follow up of agreed actions arising from internal audit reports and the outcome of these is reported to the Joint Audit Committee within the quarterly progress reports.

## 8. Communication of the Acceptance of Risks

- 8.1. Arrangements are in place to ensure that where key risks are accepted by management, this is discussed with senior management. Should the Audit Manager consider that the organisation is accepting a level of risk that may be unacceptable, this would be reported to the Joint Audit Committee and the Public Accountability Conference.

## **CIPFA Statement on the Role of the Head of Internal Audit 2019**

### **1. Introduction**

1.1 In 2019, CIPFA published an updated Statement on the Role of the HoIA in Public Sector Organisations in recognition of the critical position occupied by the Head of Internal Audit (HoIA) within any organisation in helping it to achieve its objectives by giving assurance on its internal control and risk management arrangements and playing a key role in promoting good corporate governance. Conformance with the Statement is cited as an example of good governance within the Delivering Good Governance Framework 2016

### **2. The Five Principles**

3.1 The Statement sets out how the requirements of legislation and professional standards should be fulfilled by the HoIA in carrying out their role and is structured under five core principles:

3.2 The Head of Internal Audit 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, commenting on responses to emerging risks and proposed developments; and
- giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.

3.3 To perform this role, the Head of Audit:

- must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee
- must lead and direct an internal audit service that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

3.4 A completed self-assessment template is attached below for appropriate sign off.

## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
<b>Principle 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, commenting on responses to emerging risks and proposed developments</b>					
1.1	Set out the HIA's role in good governance and how this fits with the role of others.	HoIA Role Profile sets out the contribution of the annual report of the HoIA to the Annual Governance Statement.	✓		
1.2	Ensure that the importance of good governance is stressed to all in the organisation, through policies, procedures and training	Code of Corporate Governance sets out the frameworks that are in place to support the overall arrangements. There are individual codes for the Cumbria OPCC and Cumbria Constabulary.	✓		
1.3	Ensure that the HIA is consulted on all proposed major projects, programmes and policy initiatives.	Internal audit plan incorporates some capacity to respond to emerging issues and projects.	✓		
<b>Principle 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 based opinion on all aspects of governance, risk management and internal control</b>					
2.1	Set out the responsibilities of the HIA, which should not include the management of operational areas.	Responsibilities of the HoIA are set out in the Role Profile and do not include any operational responsibilities.	✓		
2.2	Ensure that internal audit is independent of external audit.	Internal audit is independent of external audit. IA plans will be shared with external audit, but will not be in any way directed by external audit.	✓		
2.3	Where the HIA does have operational responsibilities the HIA's line manager and the Audit Committee should specifically approve the IA strategy for these and associated plans and reports and ensure the work is independently managed.	Not applicable.			

## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
2.4	Establish clear lines of responsibility for those with an interest in governance (e.g. Chief Executive, Chief Legal Officer, Chief Financial Officer, Audit Committee, non-executive directors/elected representatives). This covers responsibilities for drawing up and reviewing key corporate strategies, statements and policies.	Clear lines of responsibility are set out in job roles, the scheme of delegation and key supporting governance documents e.g. financial regulations, procurement regulations, grant regulations. The Joint Audit Committee has a clear Terms of Reference consistent with the CIFA guidance.	✓		
2.5	Establish clear lines of reporting to the Leadership Team and to the Audit Committee where the HIA has significant concerns	Reporting lines are defined within the Internal Audit Charter which has been agreed by the Board.	✓		
2.6	Agree the terms of reference for internal audit with the HIA and the Audit Committee as well as with the Leadership Team	Internal audit charter sets out internal audit's terms of reference. Charter has been approved by Board and presented to Joint Audit Committee.	✓		
2.7	Set out the basis on which the HIA can give assurances to other organisations and the basis on which the HIA can place reliance on assurances from others.	The basis of assurances provided to other organisations is set out within the Shared Services agreement. Various sources of assurance have been taken into consideration in preparing the audit plan to ensure optimum audit coverage.	✓		
2.8	Ensure that comprehensive governance arrangements are in place, with supporting documents covering e.g. risk management, corporate planning, anti-fraud and corruption and whistleblowing.	Key governance documents include the Code of Corporate Governance, scheme of delegation, Anti-fraud and corruption strategy, policy and procedure. Risk management arrangements are in place and the corporate risk register for each organisation is reported to Joint Audit Committee.	✓		
2.9	Ensure that the annual internal audit opinion and report are issued in the name of the HIA.	Annual report of the Head of Internal Audit contains the internal audit opinion for the Police & Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary. This report is presented to Joint Audit Committee by the Head of Internal Audit.	✓		

## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
2.10	Include awareness of governance in the competencies required by members of the Leadership Team.	Role profiles for the Chief Executive, Joint CFO and deputy monitoring officer are based on the relevant professional standards and include governance responsibilities. Constabulary Chief Officers are trained on governance matters as part of their professional qualification.	✓		
2.11	Set out the framework of assurance that supports the annual governance report and identify internal audit's role within it. The HIA should not be responsible for preparing the report.	The framework of assurance that supports the annual governance statement is documented within the Statement itself. HIA is not responsible for preparing the AGS.	✓		
2.12	Ensure that the internal audit strategy is approved by the Audit Committee and endorsed by the Leadership Team.	Public Sector Internal Audit Standards (PSIAS) refer to the requirement for internal audit plans to include a statement of how internal audit service will be delivered. This is included within the audit plan.	✓		
<b>Principle 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 Committee.</b>					
3.1	Designate a named individual as HIA in line with the principles in this Statement. The individual could be someone from another organisation where internal audit is contracted out or shared. Where this is the case then the roles of the HIA and the client manager must be clearly set out in the contract or agreement.	The Group Audit Manager is the designated HoIA for the PCC / Chief Constable.	✓		



## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
3.2	Ensure that where the HIA is an employee that they are sufficiently senior and independent within the organisation's structure to allow them to carry out their role effectively and be able to provide credibly constructive challenge to the Management Team.	Not applicable.			
3.3	Ensure that where the HIA is an employee the HIA is line managed by a member of the Management Team. Where the HIA is not an employee then the reporting line must be clearly set out in the contract or agreement with the internal audit supplier.	Not applicable.			
3.4	Establish an Audit Committee in line with guidance and good practice.	There is a Joint OPCC / Constabulary Audit Committee which is the recommended approach in the Financial Management Code of Practice for the Police Forces of England and Wales. The Joint Audit Committee undertakes on a biennial basis a self-assessment against the CIPFA practical guidance checklist and has assessed itself as performing appropriately, in the intervening years, the committee and officers carry out a 360' review of the work of the committee, the first such review has been scheduled for 23/06/21.	✓		
3.5	Set out the HIA's relationship with the Audit Committee and its Chair, including the Committee's role (if any) in appointing the HIA.	The relationship is set out in the Internal Audit Charter.	✓		

## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
3.6	Ensure that the organisation's governance arrangements allow the HIA: – to bring influence to bear on material decisions reflecting governance; – direct access to the Chief Executive, other Leadership Team members, the Audit Committee and external audit; and – to attend meetings of the Leadership Team and Management Team where the HIA considers this to be appropriate.	There are appropriate arrangements in place to allow the HIA to perform these functions appropriately.	✓		
3.7	Set out unfettered rights of access for internal audit to all papers and all people in the organisation, as well as appropriate access in (significant) partner organisations.	This is defined within the Internal Audit Charter	✓		
3.8	Set out the HIA's responsibilities relating to partners including joint ventures and outsourced and shared services.	The HoIA responsibilities are defined within the Audit Charter in relation to the Shared Internal Audit Service.	✓		
<b>Principle 4: The HIA in a public service organisation must lead and direct an internal audit service that is resourced to be fit for purpose.</b>					
4.1	Provide the HIA with the resources, expertise and systems necessary to perform their role effectively.	Internal audit is resourced appropriately to deliver the level of service currently required.	✓		
4.2	Ensure that the Audit Committee sets out a performance framework for the HIA and their team and assesses performance and takes action as appropriate.	Internal audit is resourced appropriately to deliver the level of service currently required.	✓		

## Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
4.3	Ensure that there is a regular external review of internal audit quality	Mandatory EQA was undertaken in October 2017 and the outcome was reported to Audit & Assurance Committee on 20 March 2018 with a further update on progress at the Joint Audit Committee held on 20 March 2019, 18 March 2020 and 17 March 2021.	✓		
4.4	Ensure that where the HIA is from another organisation that they do not also provide the external audit service	Cumbria Shared Internal Audit Service does not provide the external audit service to the Police & Crime Commissioner for Cumbria or the Chief Constable for Cumbria Constabulary.	✓		
<b>Principle 5: The HIA in a public service organisation must be professionally qualified and suitably experienced</b>					
5.1	Appoint a professionally qualified HIA whose core responsibilities include those set out under the other principles in this Statement and ensure that these are properly understood throughout the organisation.	HoIA is CIPFA qualified (since 1993). HoIA responsibilities are defined within the role profile for the post and make appropriate reference to the requirements of the 2019 CIPFA Statement.	✓		
5.2	Ensure that the HIA has the skills, knowledge, experience and resources to perform effectively in his or her role.	HoIA has over 31 years' audit experience within Local Government and undertakes CPD to keep his skills up to date. HoIA has regular contact with audit colleagues throughout the North West via the North West Chief Audit Executives Group and the Local Authority Chief Auditors Network (for Counties, Mets and Unitaries).	✓		