

London Borough of Barking & Dagenham

Final Report: Internal Audit Performance External Quality Assessment

Date: 31 July 2023

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Introduction

The Public Sector Internal Audit Standards (PSIAS) require an external quality assessment be undertaken at least every five years, although more frequent assessments may take place. The PSIAS apply to all public sector internal audit service providers, whether in-house, shared services or outsourced.

Standard 1312 states:

External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

The standards and interpreting guidance go on to clarify that the external assessor must conclude as to conformance with the Code of Ethics and the Standards. The lead assessor must demonstrate competence in the professional practice of internal auditing and the external assessment process. Neither the lead assessor or any members of the assessment team should have an actual or perceived conflict of interest and they must not be a part of, or under the control of, the organisation to which the internal audit activity belongs. The scope of the assessment must be agreed with an appropriate sponsor, such as the Director of Finance or the Chair of the Audit Committee.

Across London, the London Audit Group has organised a system of independently validated assessments. It has been agreed that self-assessments will be completed and that these will be validated by suitably qualified individuals or teams from other members of the group.

This review of internal audit's performance at the London Borough of Barking & Dagenham has been led by Michael Sheffield, Corporate Head of Audit, Anti-Fraud & Risk Management at London Borough of Hackney, who is appropriately qualified, independent and has no actual or perceived conflicts of interest. The terms of reference for this assessment were discussed and agreed with Christopher Martin, Head of Assurance at London Borough of Barking & Dagenham.

Conclusion

Based on the self-assessment, supporting evidence and independent validation it is the view of the lead assessor that the internal audit service for the London Borough of Barking & Dagenham **generally conforms with the Public Sector Internal Audit Standards**. Definitions of all the ratings are detailed in Appendix A.

Generally Conforms	The relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, at least comply with the requirements of the section in all material respects.
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Key Observations

This assessment has identified several areas where the PSIAS requirements are not met in full, the priority rating to address each item has been rated as low and the cumulative effect of these observations is that the service overall is considered in our opinion to be generally conforming with the standards.

It is also our opinion that the observations set out here are relatively straightforward to address, and the identification of seven areas for minor improvement should be viewed in the context of the 130+ standard categories that PSIAS incorporates.

Code of Ethics

At the time of the review all in-house internal audit staff had completed the London Borough of Barking & Dagenham corporate declaration of interest return. This goes some way to providing assurance that internal audit staff do not have external interests that are in conflict with the Council's priorities and good governance arrangements.

The requirements of PSIAS extend beyond the corporate process to ensure that audit engagements are carried out in a way that does not compromise objectivity, and that individual auditors are aware of the ethical standards within which they must operate.

During the review we were advised that management assurance on auditor ethics and standards was also provided by careful consideration of work allocations, and the awareness of individual circumstances that is possible within a small in-house team. While recognising these as valid points, a recommendation has been made to adopt a supplementary declaration process for the audit team as a means to demonstrate this requirement has been met in full. Since the assessment meeting took place we note that a new declaration process has been introduced and this has been completed by all staff.

Promoting Organisational Improvement

The PSIAS set out a list of principles at Section 5, including that Internal Audit should promote organisational improvement.

It was noted that the most significant audit recommendations (those assessed as 'high' or 'critical' priority) are reported to the Audit & Standards Committee in full along with statistical information to demonstrate how successful management has been in implementing agreed recommendations. A lot of detail is provided to the Board about these risks which is commendable.

Recommendations that are identified through audit work which are assessed as 'Medium' priority are monitored and followed up by the Internal Audit team, but management progress toward implementing these is not reported to the Audit &

Standards Committee, with the intention that the Committee's attention is focussed at the most important issues. During the PSIAS review meeting (February 2023) information was reviewed which indicated that 30% of 2021/22 medium recommendations had not been fully implemented. While it is quite possible that there are valid reasons for some recommendations not being put in place (for example, changes to systems, alternative controls are introduced, etc.), it is also possible that greater value could result from the same amount of audit work by including some information about the medium priority recommendations to the Committee.

To maximise the benefit from limited audit resources we have recommended that consideration should be given to some level of performance information about medium priority recommendations being provided to the Audit & Standards Committee as part of the regular update report. It could be that statistical data is preferable to the level of detail that is provided for the higher priority recommendations.

1230 Continuing Professional Development

Audit staff are required to be professionally qualified and to undergo a process of continuing professional development to ensure that skills remain up to date.

Our review was provided with evidence of the training that is currently underway for one team member, and assurance that CPD is in place was demonstrated by providing records from professional bodies that staff belong to. It was observed that there was not a formal record of the training that all staff have undertaken which could be helpful to more easily identify potential strengths and weaknesses across the team, highlight where future training could be most beneficial and more easily satisfy the specific PSIAS requirement to maintain a training record.

1300 Quality Assurance & Improvement Programme

Ongoing internal performance monitoring of the internal audit function is required to enable an assessment against the PSIAS standards and also identify any areas for improvement. In addition, an external assessment should take place every 5 years.

In common with the majority of local authority audit services, there has been an extended gap since the last external review of the London Borough of Barking & Dagenham internal audit service because of the pandemic. Measures are in place to ensure that the service is delivered in a way that recognises the required standards, for example, there is an internal audit manual which provides guidance on how assignments should be carried out, this had been updated within the last year. An internal assessment has been undertaken recently ahead of this review, but it did not identify any non-conformity against the large number of considerations that PSIAS requires.

A Quality Assurance and Improvement Plan (QAIP) is in place which sets out the controls that are in place to provide assurance that the service remains at a high level of quality, although it does not refer to an improvement plan, possibly because the most recent internal assessment did not identify any non-conformance with the PSIAS.

The inclusion of an improvement plan would ensure that management action to further improve the service is targeted at the areas which will have the most benefit and help to ensure that any work is prioritised.

2200 Engagement Planning

Pre-audit meeting

The audit manual sets out the process for planning individual audit assignments, including a pre-audit meeting which will inform the work programme (for example, the objectives, scope, timing and resources that will be needed).

Our review identified that the scoping meeting does not always take place, for example, if the audit is very routine such as a review of a system that is regularly audited. Related to this, notes of the scoping meeting are not always kept on file, unless information material to the audit arises from the process.

In our opinion the pre-audit meeting is a helpful part of the audit process and should be encouraged. Although it is not explicitly required under PSIAS, it does support the PSIAS requirement to plan the engagement and is likely to increase management buy-in to individual audits. If there are situations where management is satisfied that the pre-audit meeting will not add value then these should be set out in the audit manual.

Audit work plan

The audit work plan is a document to set out how the audit work will achieve the objectives set out in the terms of reference. The London Borough of Barking & Dagenham internal audit management team confirmed that there is an expectation that a work plan should always be prepared but we noted that the internal audit manual allows for an exception whereby more experienced auditors may not need to produce this document.

The internal audit manual should be updated to reflect the reasonable management requirement that a work plan is always prepared for every engagement, even if this is by way of a template document for repeat areas of work.

Summary Assessment

Statement	Generally Conforms	Partially Conforms	Does not Conform
Mission of Internal Audit			
Does the internal audit activity aspire to accomplish the Mission of Internal Audit as set out in the PSIAS?	✓		
Definition of Internal Auditing			
Is the internal audit activity independent and objective?	✓		
Does the internal audit activity use a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation?	✓		
Core Principles			
Does the internal audit activity conform with the PSIAS by demonstrating integrity?	✓		
Does the internal audit activity conform with the PSIAS by demonstrating competence and due professional care?	✓		
Does the internal audit activity fully conform with the PSIAS by being objective and free from undue influence (independent)?	✓		
Does the internal audit activity fully conform with the PSIAS by being aligned with the strategies, objectives, and risks of the organisation?	✓		
Is the internal audit activity appropriately positioned and adequately resourced?	✓		
Does the internal audit activity demonstrate quality and continuous improvement?	✓		
Does the internal audit activity communicate effectively?	✓		
Does the internal audit activity provide risk-based assurance, based on adequate risk assessment?	✓		
Is the internal audit activity insightful, proactive, and future-focused?	✓		
Does the internal audit activity promote organisational improvement?	✓		

Statement	Generally Conforms	Partially Conforms	Does not Conform
Code of Ethics			
Do internal auditors display integrity?	✓		
Do internal auditors display objectivity?	✓		
Do internal auditors display due respect and care by maintaining confidentiality?	✓		
Do internal auditors display competency?	✓		
Do internal auditors, whether consciously or through conformance with organisational procedures and norms, have due regard to the Committee on Standards of Public Life's <i>Seven Principles of Public Life</i> ?	✓		
Attribute Standards			
Does the internal audit charter conform with the PSIAS by including a formal definition of the purpose, authority and responsibility of the internal audit activity?	✓		
Does the internal audit charter conform with the PSIAS by clearly and appropriately defining the terms 'board' and 'senior management' for the purposes of the internal audit activity?	✓		
Internal Audit Charter.	✓		
Does the CAE periodically review the internal audit charter and present it to senior management and the board for approval?	✓		
Does the CAE have direct and unrestricted access to senior management and the board?	✓		
Are threats to objectivity identified and managed?	✓		
Does the CAE report to an organisational level equal or higher to the corporate management team? Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?	✓		
Does the CAE's position in the management structure: Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board? Ensure that he or she is sufficiently senior and independent to be able to provide a credibly constructive challenge to senior management?	✓		
Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent?	✓		

Statement	Generally Conforms	Partially Conforms	Does not Conform
Is the organisational independence of internal audit realised by functional reporting by the CAE to the board?	✓		
Does the CAE communicate and interact directly with the board?	✓		
Where the CAE has roles or responsibilities that fall outside of internal auditing, are adequate safeguards in place to limit impairments to independence or objectivity? Does the board periodically review these safeguards?	✓		
Do internal auditors have an impartial, unbiased attitude?	✓		
Do internal auditors avoid any conflict of interest, whether apparent or actual?	✓		
Do internal auditors avoid any conflict of interest, whether apparent or actual?	✓		
If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties?	✓		
Does review indicate that work allocations have operated so that internal auditors have not assessed specific operations for which they have been responsible within the previous year?	✓		
If there have been any assurance engagements in areas over which the CAE also has operational responsibility, have these engagements been overseen by someone outside of the internal audit activity?	✓		
Is the risk of over-familiarity or complacency managed effectively?	✓		
Have internal auditors declared interests in accordance with organisational requirements?		✓	
Where any internal auditor has accepted any gifts, hospitality, inducements or other benefits from employees, clients, suppliers or other third parties has this been declared and investigated fully?	✓		
Does review indicate that no instances have been identified where an internal auditor has used information obtained during the course of duties for personal gain?	✓		
Have internal auditors disclosed all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice, subject to any confidentiality agreements?	✓		
If there has been any real or apparent impairment of independence or objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted?	✓		

Statement	Generally Conforms	Partially Conforms	Does not Conform
Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the board before the engagement was accepted?	✓		
Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent? Is the CAE suitably experienced?	✓		
Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	✓		
Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	✓		
Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	✓		
Do internal auditors have sufficient knowledge of key information technology risks and controls?	✓		
Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques?	✓		
Do internal auditors exercise due professional care?	✓		
Do internal auditors exercise due professional care during a consulting engagement?	✓		
Has the CAE defined the skills and competencies for each level of auditor? Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	✓		
Do internal auditors undertake a programme of continuing professional development?	✓		
Has the CAE developed a QAIP that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?	✓		
Does the QAIP include both internal and external assessments?	✓		
Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	✓		
Do internal assessments include ongoing monitoring of the internal audit activity?	✓		
Does ongoing performance monitoring contribute to quality improvement through the effective use of performance targets?	✓		

Statement	Generally Conforms	Partially Conforms	Does not Conform
Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices?	✓		
Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	✓		
Has an external assessment been carried out, or is one planned to be carried out, at least once every five years?	✓		
Has the CAE properly discussed the qualifications and independence of the assessor or assessment team with the board?	✓		
Has the CAE agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the CFO or the chief executive?	✓		
Has the CAE reported the results of the QAIP to senior management and the board?	✓		
Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	✓		
Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	✓		
Has the CAE reported any instances of non-conformance with the PSIAS to the board?	✓		
If appropriate, has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	✓		
Performance Standards			
Has the CAE determined the priorities of the internal audit activity in a risk-based plan and are these priorities consistent with the organisation's goals?	✓		
Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	✓		
Does the risk-based plan set out the: Audit work to be carried out?	✓		
Does the CAE review the plan on a regular basis and has he or she adjusted the plan when necessary in response to changes in the organisation's business, risks, operations, programmes, systems and controls?	✓		

Statement	Generally Conforms	Partially Conforms	Does not Conform
Is the internal audit activity's plan of engagements based on a documented risk assessment?	✓		
In developing the risk-based plan, has the CAE also given sufficient consideration to: Any declarations of interest (for the avoidance for conflicts of interest)? The requirement to use specialists, eg IT or contract and procurement auditors? Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary? The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CAE opinion?	✓		
In developing the risk-based plan, has the CAE consulted with senior management and the board to obtain an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes?	✓		
Does the CAE take into consideration any proposed consulting engagement's potential to improve the management of risks, to add value and to improve the organisation's operations before accepting them?	✓		
Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval? Has the CAE communicated any significant interim changes to the plan and/or resource requirements to senior management and the board for review and approval, where such changes have arisen?	✓		
Has the CAE communicated the impact of any resource limitations to senior management and the board?	✓		
Does the risk-based plan explain how internal audit's resource requirements have been assessed?	✓		
Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise disruption to the functions being audited, subject to the requirement to obtain sufficient assurance?	✓		
If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board?	✓		
Has the CAE developed and put into place policies and procedures to guide the internal audit activity?	✓		
Does the risk-based plan include an adequately developed approach to using other sources of assurance and any work that may be required to place reliance upon those sources?	✓		
Does the CAE report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan?	✓		

Statement	Generally Conforms	Partially Conforms	Does not Conform
Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation?	✓		
Does the internal audit activity assess and make appropriate recommendations to improve the organisation's governance processes?	✓		
Has the internal audit activity evaluated the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities?	✓		
Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	✓		
Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes?	✓		
Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems?	✓		
Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	✓		
Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	✓		
Do internal auditors successfully avoid managing risks themselves, which would in effect lead to taking on management responsibility, when assisting management in establishing or improving risk management processes?	✓		
Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems	✓		
Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	✓		
Do internal auditors develop and document a plan for each engagement?	✓		
Do internal auditors consider the following in planning an engagement, and is this documented: objectives, controls, risks, resources, operations, risk mitigation, adequacy, effectiveness, improvements?	✓		

Statement	Generally Conforms	Partially Conforms	Does not Conform
Where an engagement plan has been drawn up for an audit to a party outside of the organisation, have the internal auditors established a written understanding with that party?	✓		
For consulting engagements, have internal auditors established an understanding with the engagement clients	✓		
Have objectives been agreed for each engagement?	✓		
Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether organisational objectives and goals have been accomplished?	✓		
Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	✓		
Is the scope that is established for each engagement generally sufficient to satisfy the engagement's objectives?	✓		
Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up?	✓		
For each consulting engagement, was the scope of the engagement generally sufficient to address any agreed-upon objectives?	✓		
Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of each engagement	✓		
Have internal auditors developed and documented work programmes that achieve the engagement objectives?	✓		
Do internal auditors generally identify (sufficient, reliable, relevant and useful) information which supports engagement results and conclusions?	✓		
Have internal auditors generally based their conclusions and engagement results on appropriate analyses and evaluations?	✓		
Have internal auditors generally remained alert to the possibility of the following when performing their individual audits, and has this been documented: Intentional wrongdoing? Errors and omissions? Poor value for money? Failure to comply with management policy? Conflicts of interest?	✓		
Have internal auditors documented the relevant information required to support engagement conclusions and results?	✓		

Statement	Generally Conforms	Partially Conforms	Does not Conform
Does the CAE control access to engagement records?	✓		
Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	✓		
Do the communications of engagement results include the following: The engagement's objectives? The scope of the engagement? Applicable conclusions? Recommendations and action plans, if appropriate?	✓		
Do internal auditors generally discuss the contents of the draft final reports with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions?	✓		
If recommendations and an action plan have been included, are recommendations prioritised according to risk?	✓		
Subject to confidentiality requirements and other limitations on reporting, do communications disclose all material facts known to them in their audit reports which, if not disclosed, could distort their reports or conceal unlawful practice?	✓		
Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	✓		
When engagement results have been released to parties outside of the organisation, does the communication include limitations on the distribution and use of the results?	✓		
Where the CAE has been required to provide assurance to other partnership organisations, or arm's length bodies such as trading companies, have the risks of doing so been managed effectively, having regard to the CAE's primary responsibility to the management of the organisation for which they are engaged to provide internal audit services?	✓		
Are internal audit communications generally accurate, objective, clear, concise, constructive, complete and timely?	✓		
If a final communication has contained a significant error or omission, did the CAE communicate the corrected information to all parties who received the original communication?	✓		
Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?	✓		
Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following: The principle or rule of conduct of the <i>Code of Ethics</i> or <i>Standard(s)</i> with	✓		

Statement	Generally Conforms	Partially Conforms	Does not Conform
which full conformance was not achieved? The reason(s) for non-conformance? The impact of non-conformance on the engagement and the engagement results?			
Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	✓		
Has the CAE communicated engagement results to all appropriate parties?	✓		
Before releasing engagement results to parties outside the organisation, did the CAE: Assess the potential risk to the organisation? Consult with senior management and/or legal counsel as appropriate? Control dissemination by restricting the use of the results?	✓		
Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	✓		
Has the CAE delivered an annual internal audit opinion?	✓		
Does the communication identify the following: The scope of the opinion, including the time period to which the opinion relates? Any scope limitations? The consideration of all related projects including the reliance on other assurance providers? The risk or control framework or other criteria used as a basis for the overall opinion?	✓		
Does the annual report incorporate the following: annual opinion, summary of work, qualifications, impairments, comparisons, conformance with PSIAIS, results of the QAIP, progress against improvement plans, summary of performance?	✓		
Where issues have arisen during the follow-up process (for example, where agreed actions have not been implemented), has the CAE considered revising the internal audit opinion?	✓		
Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	✓		
If the CAE has concluded that management has accepted a level of risk that may be unacceptable to the organisation, has he or she discussed the matter with senior management?	✓		

Appendix A – Definitions

Generally Conforms	The relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, at least comply with the requirements of the section in all material respects.
Partially Conforms	The internal audit service falls short of achieving some elements of practice but is aware of the areas for development. These will usually represent significant opportunities for improvement in delivering effective internal audit.
Does Not Conform	The internal audit service is not aware of, is not making efforts to comply with, or is failing to achieve many/all of the objectives and practice statements within the section or sub-sections. These deficiencies will usually have a significant negative impact on the internal audit service's effectiveness and its potential to add value to the organisation. These will represent significant opportunities for improvement, potentially including actions by senior management or the Audit Committee.

Appendix B – Action Plan

No.	Finding	Recommendation	Management response	Priority rating
1.	At the time of the review there was no local declaration of interest process in place to ensure that Internal Audit staff reported conflicts of interest specific to their auditing responsibilities, and also conformance with the code of ethics. Internal Audit staff did complete the corporate DoI process.	Management promptly adopted a local DoI process when this point was raised during the review meeting and all staff have since completed a declaration. The local DoI should continue to be completed annually.	The requirement as far as we understand it is that internal auditors declare interests in accordance with organisational requirements, which we believe that we have conformed with.	Low
2.	Medium risks are monitored and followed up by the Internal Audit team, but they are not reported to the Audit & Standards Committee (the intention is to focus the Committee's attention at the most important issues). During the PSIAS interview (February 2023) information was reviewed which indicated that 30% of 2021/22 medium	Statistical information about the status of outstanding medium recommendations should be reported to the Audit & Standards Committee to highlight management progress toward implementing agreed recommendations to improve the control environment.	Agreed to be implemented	Low

	recommendations had not been fully implemented.			
3.	While staff do receive training there is no formal record of this.	Consideration should be given to maintaining a record of all training undertaken by staff. This would help to ensure that individuals and the service collectively have the competencies required as the service evolves.	Agreed to be implemented	Low
4.	In common with the large majority of local authority audit services, there has been an extended gap since the last external review because of the pandemic.	External Assessments should be carried out every five years. The findings of internal and external assessments should be communicated to the Audit & Standards Committee.	Agreed to be implemented	Low
5.	The most recent internal assessment did not identify any non-conformity against the large number of considerations that PSIAS requires. Possibly as a result of this there are no improvement actions set out in the current Quality and Assurance Improvement Plan (QAIP).	Consideration should be given to including an improvement plan in the QAIP to include any agreed actions from this report, and any other improvement measures that the Head of Assurance identifies.	Agreed to be implemented	Low

6.	<p>Scoping meetings do not take place for some standard audits, for example, a review of a system that is audited regularly.</p> <p>Notes of the scoping meeting are not always kept on file - this would only happen if material information arises from the scoping meeting.</p>	<p>The pre-audit meeting ensures that relevant management have engagement with the proposed audit work, and allows the auditor to clarify or obtain further information for the audit brief.</p> <p>Ordinarily, a pre-audit meeting should be held and the minutes or notes should be documented and retained on file.</p> <p>Any circumstances under which a pre-audit meeting will not add value to the audit process should be identified and set out in the internal audit manual.</p>	Agreed to be implemented	Low
7.	<p>The Audit Manual provides an explanation of the importance of the audit work programme but also states that more experienced auditors may not need to produce this document - this is contrary to management expectations that were provided as part of the review.</p>	<p>The Audit Manual should be updated to reflect management requirements, and the change should be communicated to staff.</p>	Agreed to be implemented	Low