

# PUBLIC SECTOR INTERNAL AUDIT STANDARDS & EXTERNAL QUALITY ASSESSMENT REPORT



Cabinet Member for Finance & Commissioning

Date: 23 March 2023  
Agenda Item: .....  
Contact Officer: Andrew Wood  
Tel Number: 01543 308030  
Email: andrew.wood@lichfielddc.gov.uk  
Key Decision? NO  
Local Ward Members Full Council

**AUDIT & MEMBER STANDARDS COMMITTEE**

## 1. Executive Summary

- 1.1 This report comprises details on the External Quality Assessment (EQA) completed to ensure compliance with the Public Sector Internal Audit Standards and outline to committee the agreed Action Plan for improvements (**Appendix 3**).

## 2. Recommendations

- 2.1 To note the report, presentation and endorse the Action Plan in respect of the External Quality Assessment.

## 3. Background

- The Public Sector Internal Audit Standards (PSIAS) came into force on the 1<sup>st</sup> April 2013. The Standards require that Internal Audit comply with the professional best practice and that the External Quality Assessment (EQA) should be completed at least every five years. The last EQA was completed in 2017/2018 and to conform to the standards, a further EQA was completed in December 2022/January 2023. The EQA has recently been completed and the report is attached at **Appendix 1**. The report identifies areas of good practice as well as identifying some issues and recommendations to enhance the service.
- The External Quality Assessor will provide an overall assessment of the service and the presentation is attached at **Appendix 2**.
- The overall assessment is that the service 'generally conforms' to the Standards which is the highest assessment level. The constituent elements of the assessment and their assessed level are explained below:

<b>Resources</b>	<b>Excelling</b> – Processes in this area are embedded within every day practices and mostly reflect best practice that is consistent with PSIAS expectations.
<b>Competency</b>	<b>Established</b> – Processes in this area are generally compliant with the PSIAS and embedded within every day practices; the EQA has identified a number of areas where further development would be beneficial.
<b>Delivery</b>	<b>Established</b> – Processes in this area are generally compliant with the PSIAS and embedded within every day practices; the EQA has identified a number of areas where a more consistent approach and further development would be beneficial.

- The report also benchmarks the Internal Audit Service against fellow peers and this is detailed in the table below:

	% - percentage compliance
Lichfield/Tamworth	81%
Local Government Average	82%
Local Government Range	73% - 90%

In comparison with other local government Internal Audit providers the Shared Service between Lichfield and Tamworth compares well considering the size of the service and the requirement to procure services to cover vacancies from external contractors. It is also noted that the service also sits well within the current range of compliance across the local government. The report details the benchmarking undertaken and further comparisons across the private sector. Further analysis is shown within Part 3 of **Appendix 1**.

- The report details a number of recommended actions for improvements to the Internal Audit Service which have been considered and the appropriate responses are detailed in **Appendix 3**. The actions outlined within the Action Plan are graded as follows;

Recommendation grading	Explanation
<b>Enhance</b>	The internal audit service must enhance its practice in order to demonstrate transparent alignment with the relevant PSIAS standards in order to demonstrate a contribution to the achievement of the organisations' objectives in relation to risk management, governance and control.
<b>Review</b>	The Internal audit service should review its approach in this area to better reflect the application of the PSIAS.
<b>Consider</b>	The internal audit service should consider whether revision of its approach merits attention in order to improve the efficiency and effectiveness of the delivery of services

The number of recommendations in each area are outlined below:

Recommendation Grading	Number of Recommendations	Number agreed
Enhance	NIL	NIL
Review	7	7
Consider	5	5
	<b>12</b>	<b>12</b>
<b>Suggested Enhancement</b>	<b>6</b>	<b>6</b>

As outlined in the table above and supported by the attached Action Plan **Appendix 3** the suggested recommendations are focussed in the 'Review' and 'Consider' category and no recommendations fall under the 'Enhance' rating. In addition 6 suggested enhancements were made at the conclusion of the review and these have been incorporated into the Action Plan.

- The actions incorporated in the planned improvements will lead to specifically;
  - Enhancing the Internal Audit Charter and Protocols;
  - Improve the audit planning model and allow for the strategic and operational risks identified through the council's risk management framework and provide assurance of the mitigating controls in place; and
  - Supplement the audit approach to provide an assessment and assurance that the objectives of the Council are being met.
- The Action Plan will be regularly reviewed by the Audit Manager and reported to senior management. Additionally the Action Plan will be reported as part of the Quality Improvement Assurance Policy and through the quarterly progress reports submitted to this committee.

Alternative Options	N/A
Consultation	N/A
Financial Implications	The audit service has been delivered within budget during the year.
Approved by Section 151 Officer	Yes
Legal Implications	There is a risk that non-compliance with the PSIAS will mean that an effective system of internal control is not in place and therefore we are not complying with the Accounts and Audit (England) regulations 2015.
Approved by Monitoring Officer	Approved.
Contribution to the Delivery of the Strategic Plan	Delivery of the audit plan contributes to all aspects of the District Council's Strategic Plan.
Equality, Diversity and Human Rights Implications	No equality, diversity or human rights implications arising from this report.
Crime & Safety Issues	None arising.
Environmental Impact	None arising.
GDPR/Privacy Impact Assessment	None required.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Significant / high risk systems of internal control fail and go unaddressed.  Audit Manager	Likelihood: Yellow Impact: Red Severity: Red	The audit planning process ensures that audit resources are directed to areas of most significant /highest risk.	Likelihood: Green Impact: Yellow Severity: Yellow
B	Failure to comply with the Standards means non compliance with the Accounts and Audit Regulations.  Audit Manager	Likelihood: Yellow Impact: Red Severity: Red	Compliance with the standards assessed externally through the EQA every five years.  Annual reporting via the Quality Improvement Assurance Policy.  Reporting on Action Plan to Leadership Team and Audit & Member Standards Committee.	Likelihood: Green Impact: Yellow Severity: Yellow
C	The External Quality Assurance recommendations are not implemented or are categorised as a low priority	Likelihood: Yellow Impact: Red Severity: Red	Reporting on Action Plan to Leadership Team and Audit & Member Standards Committee.	Likelihood: Green Impact: Yellow Severity: Yellow

---

Background documents	Audit Plan and Charter approved by Audit & Member Standards Committee 20 April 2022.
----------------------	--

Relevant web links	
--------------------	--

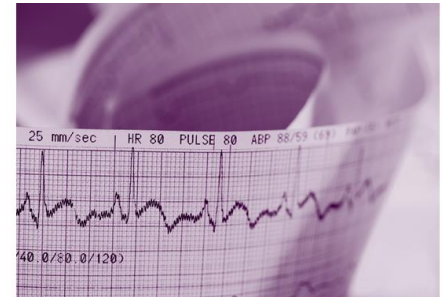
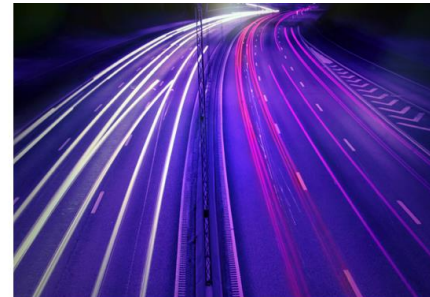
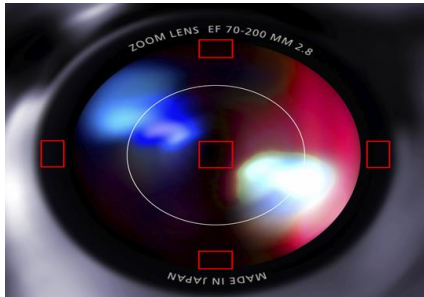




# External Quality Assessment

Internal Audit Shared Services

Executive report – January 2023



# Contents

---

Opinion	3
Executive summary	4
Summary of good practice	6
Part one	
• Compliance with the Public Sector Internal Audit Standards - Findings and recommendations	7
Part two	
• Suggestions for enhancement of internal audit services	13
Part three	
• Benchmarking	17
Appendices	22

# External Quality Assessment

Tamworth BC and Lichfield DC Shared Internal Audit Service

**BUSINESS  
RISK  
SOLUTIONS**

**Opinion: The Internal Audit Shared Service is delivering to a standard that generally conforms with the Public Sector Internal Audit Standards.**

## **Key matters arising from the review:**

- Increasing integration of the use by internal audit of risk-based techniques with the risk appetite of each Council particularly in terms of planning at a strategic and engagement level would be mutually beneficial,
- Ensuring clear logic regarding the use of inherent and residual risk assessments in the form of 'Control Risk' through working papers for each assignment in order to focus on agreed management objectives, significant risks and relevant key controls would better support the content of the assurance provided.
- Consideration should be given to expressing internal audit recommendations and opinions in line with the risk appetite of each Council as stated within the Risk Management Policy as this would enhance transparency and communication with clients.
- Where high risk recommendations are identified ensure these support a negative audit opinion which is appropriately reflected in strategic and operational risk registers,,
- Review the narrative used within the Annual Opinion in the Head of Internal Audit Annual Report to reflect the strategic planning process and therefore the cumulative knowledge of both significant risks and other sources of assurance that are available and upon which reliance has been placed.

## **Good Practice identified during the review**

- An Internal Audit Charter setting out the role and responsibilities of Internal Audit within the Councils guides delivery and establishes the basis for delivery of Internal Audit.
- Shortfalls in resources are supplemented with external support,
- The service has developed a documented internal audit methodology and supporting templates that delivers a consistent risk-based service.
- Self-assessment and the Quality Assurance Improvement Programme identifies areas in which future development will be beneficial,
- Routine reporting informs clients and the Audit Committee regarding progress regarding completion of the internal audit plan, findings and the follow up of recommendations, and
- Appropriate statements regarding confidentiality and limitation of liability are included in internal audit reporting.



# Executive summary

---

Internal Audit Services are delivered by a shared service in-house team and supported by externally contracted support services for both IT (ETEC) and general audit work (BDO). Services are managed by Andrew Wood as Audit Manager, who assumes the role of Chief Audit Executive (CAE) for the purposes of this review. Andrew is supported by Alison Swift as Principal Auditor. The service has been carrying two vacant positions since May 2021 which has been covered through use of the external support under contract.

The service has responded to the changes of focus in professional standards by developing a risk based approach with regard to planning and the completion of assignment work; the Internal Audit Manual has been updated in 2022 to reflect the requirements of the Public Sector Internal Audit Standards (PSIAS) although this might now be better revised to recognise current internal practice as this would aid training as the vacant posts are recruited to.

From an internal audit perspective, considerable advantage is to be gained from increasing development and recognition of each client's Risk Management processes, which reflect a 'Three lines of Defence approach' and therefore provide a basis for risk-based internal audit as required by the standards. The approach can be used to reformat the Audit Universe of potential audits and therefore fully reflect the risk appetite of each Council. If fully embedded within audit engagement planning as recognition of Management's Objectives, this will align with current practice to identify significant risks and provide a basis for an assurance opinion in relation to risk management, governance and control. Clear alignment will enable internal audit plans and assignments to focus on the value of 'Control Risk' and thereby increasingly focus its attention on recognised key controls and the assurances available to mitigate risk. Continuing to develop this thread will enhance both the efficiency and effectiveness of internal audit as well as its benefit to each Council.

Consequently, with a constantly changing risk environment, particularly as the service responds to the changing needs of the Councils, there is a need and opportunity for the internal audit service to continue to enhance delivery through acting as a catalyst to ensure that robust risk management systems are operational, increasing its awareness of the assessment of risk and as a consequence informing its own approach. This will help ensure that internal audit focuses on the most appropriate areas and can demonstrate that it continues to provide a service that effectively contributes towards the achievement of the Council's stated objectives, through the provision of independent assurance.

Current services are assessed to '**generally conform**' with the PSIAS standards with the service demonstrating a high standard of delivery which is well regarded by stakeholders. A series of specific recommendations are made in the report that follows which reflect building on the existing strengths in relation to resources, competency and delivery in order to enhance future services and as a result enhance the benefit of the service to clients.

# Overall assessment

1	<b>RESOURCES</b>		<b>Excelling</b> – Processes in this area are embedded within every-day practices and mostly reflect best practice that is consistent with PSIAS expectations.
2	<b>COMPETENCY</b>		<b>Established</b> – Processes in this area are generally compliant with the PSIAS and embedded within every-day practices; the EQA has identified a number of areas where further development would be beneficial.
3	<b>DELIVERY</b>		<b>Established</b> – Processes in this area are generally compliant with the PSIAS and embedded within every-day practices; the EQA has identified a number of areas where a more consistent approach and further development would be beneficial.

# Summary of good practice identified within EQA

Standard	Good practice identified	Observation
1000	An Internal Audit Charter has been established and agreed with management and the Audit and Governance (TBC) and Audit and Member Standards (LDC) Committees (AC).	The combination of the Charter, supported by the Internal Audit Protocol and Manual is comprehensive and establishes an appropriate framework against which internal audit services can be delivered in accordance with the PSIAS.
1100	Independence and objectivity	A process is in place regarding the identification and management of potential conflicts and/or declarations of interest, although further clarity regarding the IA role regarding risk management would be beneficial.
1311	The service has conducted internal assessment exercises regarding its performance in accordance with a Quality Assurance Improvement Programme.	Performance review is embedded within quality control procedures and identifies and supports performance development needs.
2020	Active engagement at Member and management levels.	Represents the establishment of a good understanding of key issues through routine interaction with Officers and Members.
2030	The need for appropriate internal audit resources is supported by support from appropriate other external sources.	This represents a firm basis for the successful delivery of the internal audit plan and the use of support, if required.
2040	A recognised process for delivery of internal audit services has been established.	Provides for a consistent methodology, within which the service is delivered through a series of templates.
2060	Reports are produced using a standard template which is consistently applied.	Demonstration of a consistent approach to communication which is well received by management and the AC's – effective follow-up ensures that issues are not lost.
2300	Internal auditors must identify, analyse, evaluate, and document sufficient information to achieve the engagement's objectives.	Effective supervision and review of progress ensures a consistent approach and delivery of the approved methodology.

# Part one

---

The logo for Business Risk Solutions is a blue square with a white border. The text "BUSINESS" is in white, "RISK" is in yellow, and "SOLUTIONS" is in white. The logo is positioned in the top right corner of the slide.

**BUSINESS  
RISK  
SOLUTIONS**

## Compliance with the Public Sector Internal Audit Standards

Business Vision and Mission, Governance arrangements, Recognition of standards, Charter, Guidance, Procedures and Supervision, Terms of Engagement, Ethics and business conduct.

	Issue identified	Recommended action	
1.	<p><b>Internal Audit Charter (IAC)</b> The IAC is comprehensive regarding engagement reports however does not contain details of the requirement for the CAE to deliver an Annual Report including an opinion in relation to risk management, governance and control.</p>	<p>Include an appropriate statement in the Internal Charter with regard to the provision of an Annual Report and align this with regard to the benefit of aligning the internal audit planning process with a continuous assessment of the risk environment faced by each client, in order to support the provision of the annual opinion regarding risk management, governance and control.</p> <p style="text-align: right;"><b>PSIAS 1000</b></p>	
2	<p><b>Performance appraisal</b> The self-assessment identified that the CAE's appraisal which is undertaken by the Chief Executive at TBC has not taken place.</p> <p>A new OKR process is to be introduced at LDC.</p>	<p>Ensure that a robust performance appraisal process is in place within the Internal Audit Team</p> <p>With regard to the Audit Manager consider Inviting observations from both Chairs of AC in advance of the performance appraisal, as this would provide valuable client feedback and reflect best practice.</p> <p style="text-align: right;"><b>PSIAS 1110</b></p>	
3.	<p><b>Declarations of interest</b> Each Council has adopted different practices regarding the protocol for declarations or conflicts of interest.</p> <p>Due to the independent nature of internal audit work it would be beneficial for internal audit staff and any contractors to confirm the position on an annual basis.</p>	<p>The CAE should obtain confirmation regarding potential conflicts of interest on 1 April each year and on appointment of any further staff or contractors undertaking internal audit engagements at the Councils.</p> <p style="text-align: right;"><b>PSIAS 1100</b></p>	

	Issue identified	Recommended action
1.	<p><b>Audit Universe</b></p> <p>The current internal audit planning model reflects use of a “standard audit universe’ to which a cyclical approach to reviewing areas of activity is applied in consultation with management. This is provided for in circumstances where the client risk management system cannot be relied upon.</p> <p>Internal Audits of risk management have provided positive opinions in relation to their application and as a result it would be beneficia therefore to increasing align the focus of strategic and engagement planning with each clients risk environment as this would enhance internal audits’ ability to demonstrate a commitment to helping each Council achieve its objectives.</p> <p>It may be beneficial to consider the content of each clients risk management process as the Audit Universe in future.</p>	<p>The development of a comprehensive internal audit plan that reflects the significant risks that are recorded within each Councils risk management system represents an essential feature of both strategic and operational internal audit planning as it acts as a basis for both ensuring attention on significant risks on a priority basis as well as providing an indication of the resources required to provide continuous independent assurance.</p> <p>Internal Audit works with each client manager at the time of an engagement to identify significant risks; it would be opportune to increasingly recognise and promote the value of ‘Control Risk’ at an operational level and transparently integrate this within the planning process, identifying sources of assurance as a matter of routine.</p> <p>It would be beneficial therefore to increasingly align development of the internal audit planning system with each Councils risk management processes in order to ensure that resources are consistently focused on areas where assurance is required regarding the operation of policies, procedures and controls that mitigate the significant risks to which the Council is exposed at an inherent level.</p> <p>It may be that such an approach would also help embed effective risk management within each clients governance processes.</p> <p style="text-align: right;"><b>PSIAS 2000/2010</b></p>

# Competency continued

	Issue identified	Recommended action
2.	<p><b>Purpose of the system subject to review</b></p> <p>Audit Planning Memorandum currently contains a statement which reflects the 'Management Objective' of the area subject to review. Whilst the terminology is correct statements tend to focus on a generic statement regarding the internal control environment rather than focusing on what management are aiming to achieve, in accordance with PSIAS requirements, which recognise the value of focusing on operational management objectives.</p>	<p>The inclusion of a Management Objective is regarded as good practice however it may be beneficial to increasingly capture the specific aims of management in each review to which can be aligned the significant risks being faced within the area under review .</p> <p>This will assist with the discussions with client managers and specifically the identification of the significant risks which may impact upon achievement of the established objectives and upon which the assurance opinion should be based.</p> <p>The significant risks may be all or some of those identified with the risk management process as well as others recognised at the time of audit.</p> <p style="text-align: right;"><b>PSIAS 2201</b></p>
3.	<p><b>Recognition of identified key controls</b></p> <p>The current risk management methodologies require identification of the primary controls which exist as well as the further mitigating controls which are to be developed.</p> <p>These are likely to represent the key controls upon which the audit should be based, as they represent 'Control Risk' and the implications should a failure of controls occur.</p>	<p>It would be beneficial to increasingly focus on what is regarded as a 'significant risk' within each Councils risk management processes and the associated primary controls as this would increase efficiency through allocating appropriate resources to those areas of most concern..</p> <p>There is limited feedback from the client survey which indicates that the Shared Service might provide increased focus on significant risk and introducing advice best practice within the audit approach and these may be areas where increased understanding of risk throughout the process may produce results which are regarded as adding value by clients.</p> <p style="text-align: right;"><b>PSIAS 2010</b></p>

# Competency continued

	Issue identified	Recommended action
5.	<p><b>Consideration of Fraud</b></p> <p>The Team maintain a Fraud Risk Register demonstrating compliance with the standards regarding the recognition of potential fraud, however this is not directly considered when scoping engagements.</p>	<p>Ensure that the areas reviewed within an engagement include those where potentially significant fraud risks exist.</p> <p style="text-align: right;"><b>PSIAS 2030</b></p>
6.	<p><b>QAIP policy</b></p> <p>The service has introduced a Quality Improvement Assurance Policy in accordance with the requirements of the standards.</p> <p>The policy focuses on consistent internal review of engagements, an annual assessment against the standards and the EQA review on a five year cycle.</p> <p>The Head of Internal Audit's Annual report confirms that aspects of the policy have been completed in a diagrammatic presentation.</p> <p>Industry best practice now reflects an extension of the quality review process to include consideration of wider performance in the form of KPI's, resources, skills and training requirements.</p>	<p>It would be beneficial to update the policy in line with best practice and as required confirm annually that all measures have operated during the year as well as summarise any outcomes influencing future development of the service within the Head of Internal audit's Annual Report.</p> <p style="text-align: right;"><b>PSIAS 1300</b></p>



Client engagement and relationship, Directed led service, Terms of Engagement (Audit/Assignment Brief), Discussion of assurance and advisory opinions, Reporting at assignment and strategic levels

	Issue identified	Recommended action	
1.	<p><b>Governance</b></p> <p>The standards require the CAE to provide an annual opinion regarding the effectiveness of governance arrangements.</p> <p>Current planning includes various aspects of the governance process including Ethics, Conflicts of Interests and Members expenses.</p>	<p>In Local Government, each Council establishes a Code of Governance in accordance with CIPFA SOLACE – it would be beneficial to map internal audit activity to the content of the Code in order to provide assurance at a level which contributes directly to the Annual Governance Statement through the Head of Internal Audit Annual Report.</p> <p style="text-align: right;"><b>PSIAS 2110</b></p>	
2.	<p><b>Risk Management</b></p> <p>Internal Audit last reviewed risk management as an assignment in TBC (March 2021) and LDC (March 2022) providing a ‘Reasonable’ assurance opinion.</p>	<p>The standards require an annual opinion to be made in the Head of Internal Audit’s Annual Report regarding the adequacy and effectiveness of each Councils risk management processes. It would therefore be beneficial to support the opinion with evidence of how this has been reached through a combination of the assurances gained at both a strategic level and at an operational level within engagements.</p> <p>It would be beneficial to document in this approach how any potential conflict of interest with regard to the Audit Manager and Principal Auditor’s roles relating to risk management is managed.</p> <p style="text-align: right;"><b>PSIAS 2120</b></p>	

	Issue identified	Recommended action
3.	<p><b>Head of Internal Audit Annual Opinion</b> The current statement is largely based upon the work completed in the current financial year.</p> <p>Best practice reflects using a wider basis for the opinion reflecting the full knowledge of the CAE including significant risks which each client is facing and information from other assurance sources.</p>	<p>In practice, the opinion is actually based upon the continuous thread or trend of assurance work completed in recent years as a result of the focus of internal audit plans, the wider knowledge of significant risks and the various sources of assurance that exist, including the risk management processes.</p> <p>Future opinions should state the full basis upon which the opinion has been reached.</p> <p style="text-align: right;"><b>PSIAS 2450</b></p>
4.	<p><b>Internal Audit Risk Based Strategy</b> The teams approach to assessment of the perceived risk at inherent and residual levels within an engagement is reflected in the grading of recommendations and opinions which are then used in reporting.</p> <p>Audit Engagement Plans and Reports contain an explanation of how the Internal Audit Team relate the level of risk evaluation to the conduct of the audit.</p> <p>It would be beneficial to ensure that the wording used is consistent with risk management terminology used by each client.</p> <p>PSIAS guidance emphasises that the focus of internal audit should be on 'significant' risk.</p>	<p>Consider reviewing the wording of definitions that support the grading of recommendations and opinions to better reflect risk appetite of each client. Particular attention should be given to the use of wording such as Fundamental and Significant.</p> <p>Within engagement reports this would then link to alignment of assurance opinions where fundamental or a series of significant recommendations automatically generated a 'Limited Assurance' opinion.</p> <p>Consider whether maintained a fourth level of assurance (being no assurance) is necessary.</p> <p style="text-align: right;"><b>PSIAS 2420</b></p>

# Part two

---



Suggested enhancements for consideration

# Suggested Enhancements for consideration

	Issue identified	Recommended action
1.	<p><b>Job descriptions</b> Current job descriptions are in a consistent form abut are not routinely reviewed as part of the PDR process..</p>	<p>Best practice reflects regular update of job descriptions, it may be beneficial to review all job descriptions at the same time to ensure that any inter-dependencies are fully reflected, particularly as the two currently vacant posts are advertised</p> <p style="text-align: right;"><b>PSIAS 1210</b></p>
2.	<p><b>Client surveys</b> Progress has been made in obtaining feedback from auditees following each audit through discussions with client managers and within the annual planning process.</p> <p>Current completion reflects 66% TBC and 82% LDC.</p> <p>This provides informal confirmation from clients regarding the Teams ability to deliver upon its responsibilities and particularly add value.</p>	<p>Internal Audit may find it useful to utilise Survey Monkey or similar technology for collecting feedback, and capture similar feedback in relation to each contractors performance, as this can prove to be an efficient means of gathering an early response.</p> <p>Feedback should be included as part of the QAIP process.</p> <p style="text-align: right;"><b>PSIAS 2000</b></p>
3.	<p><b>Contract support</b> A contract is in place with each contractor which states that delivery of services should comply with the PSIAS.</p>	<p>In order to evidence that the Shared Service is compliant in overall terms it would be helpful if each contractor were requested to provide evidence that their work had been independently assessed in accordance with the PSIAS.</p> <p style="text-align: right;"><b>PSIAS 1312</b></p>

# Suggested Enhancements for consideration

	Issue identified	Recommended action
3.	<p><b>Key Performance Indicators</b> Completion of the Internal Audit Plan is regarded as the current focus of performance monitoring, although other indicators based on recommendations and opinions made in the year are recorded in the Head of Internal Audit's Annual Report.</p> <p>Good practice elsewhere utilises a range of quantitative and qualitative measures to demonstrate performance against the Internal Audit Charter.</p>	<p>Consideration could be given to devising a more comprehensive list of indicators and a summary of client feedback received. This may include:</p> <ul style="list-style-type: none"> <li>• Reports issued to agreed timescales</li> <li>• Recommendations accepted/not accepted by risk rating</li> <li>• Recommendations acted upon in a timely manner</li> <li>• Client satisfaction</li> <li>• Staffing levels and qualifications</li> <li>• Planned training completed</li> </ul> <p style="text-align: right;"><b>PSIAS 1310</b></p>
4.	<p><b>Training</b> The Internal Audit Team has developed a comprehensive training and skills matrix which includes reference to mandatory requirements although this has not been maintained.</p> <p>As the internal audit planning process devises a forward looking three year plan it would be beneficial to consider the future training needs of internal audit staff and include these in future resource planning.</p>	<p>Consider the benefits of using the priorities included in internal audit plans to identify potential courses or seminars which may provide increased understanding of the risk environment that will be reviewed.</p> <p>Ensure that training records are maintained and used to inform the QAIP.</p> <p style="text-align: right;"><b>PSIAS 1210</b></p>

# Suggested Enhancements for consideration

	Issue identified	Recommended action
6.	<p><b>Internal Audit Manual</b> The Team has compiled an Internal Audit Manual which was last reviewed in December 2022.</p>	<p>Following completion of the EQA, consider revising the Manual to fully reflect current practice rather than generic example as this will assist when training new staff.</p> <p>It may be useful to include the Internal Audit Protocol document within the Manual as this represents an excellent way of explaining the internal audit process to all stakeholders.</p> <p style="text-align: right;"><b>PSIAS 2030</b></p>

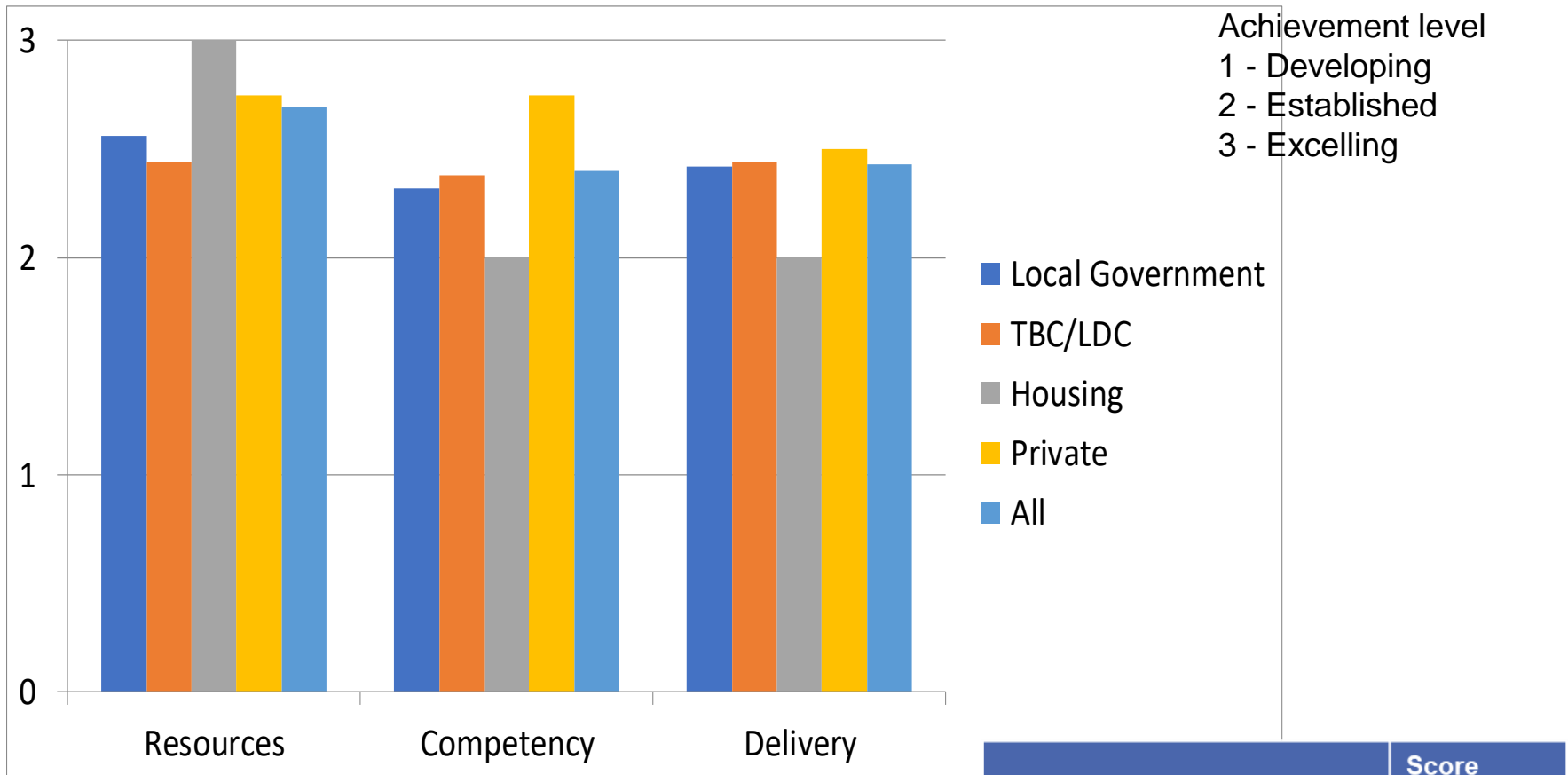
# Part three

---



## Benchmarking

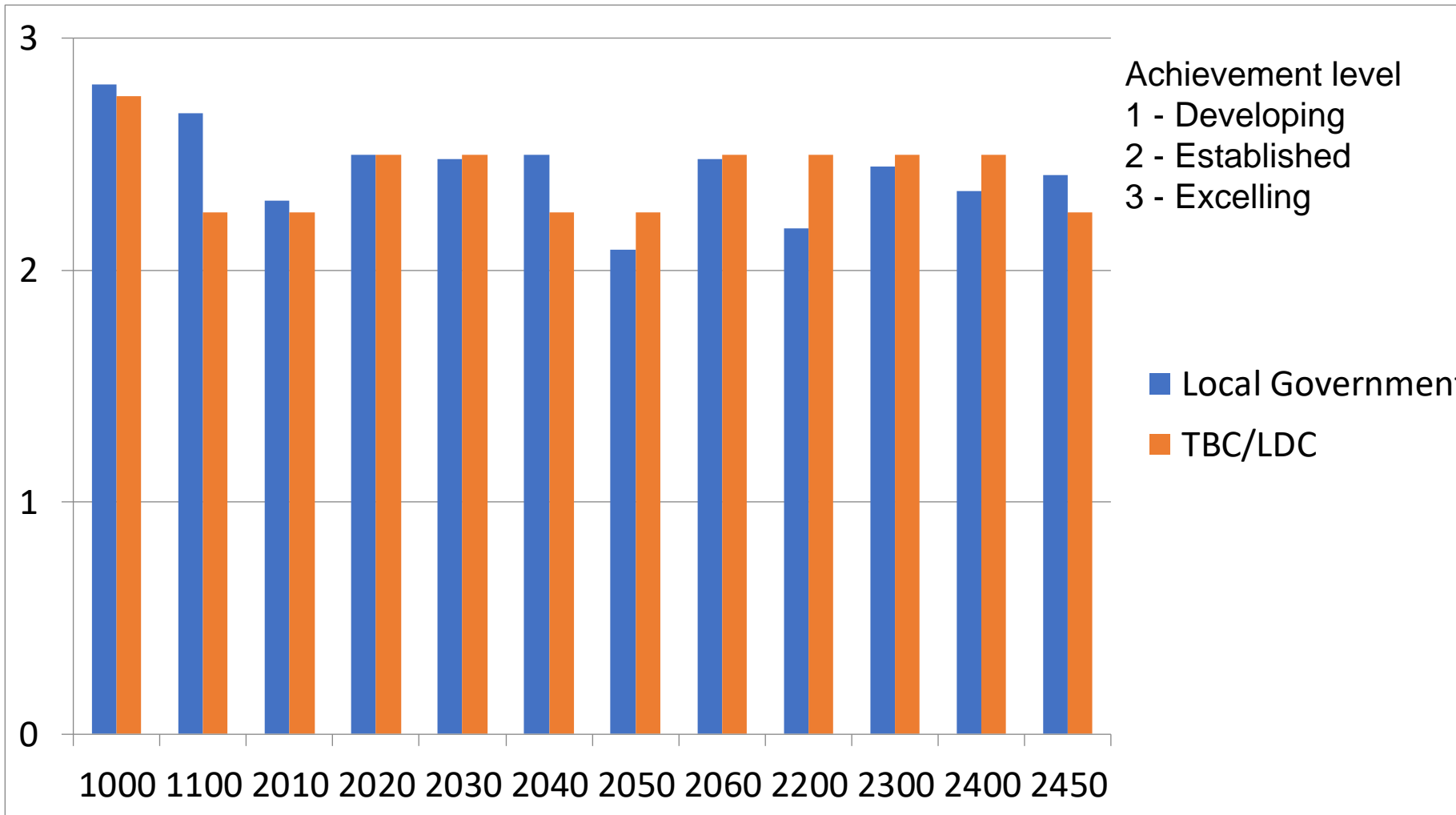
# Benchmarking - Sector analysis



	Score
Tamworth /Lichfield	81%
LG Average	82%
LG range	73 -90%



# Benchmarking - Industry analysis



# Appendix

---

1. Summary of client feedback
2. Key IPPF/PSIAS standards assessed
3. Basis for EQA
4. Grading of recommendations

# Summary stakeholder feedback

Question	Positive (%)	Negative (%)
I understand Internal Audit's role in the organisation and its purpose.	100	
Internal Audit is customer focused and understands what the organisation is trying to achieve.	100	
Internal Audit considers the viewpoints of the organisation when planning and undertaking reviews and aims to provide a good balance between assurance and good practice with opportunities for improvement.	100	
Internal audit has a presence in the organisation which is visible and approachable.	100	
The Internal Audit team provides a flexible and reliable service which adds value through the assurance audits and additional work it undertakes.	100	
Internal Audit makes you aware of any significant issues that occur during an audit on a timely basis and you have the opportunity to respond or provide additional information.	100	
Internal audit has the skills to provide appropriate assurance and advice to meet our needs?	100	
Good practice and ideas from other organisations are shared through audits, day to day contact, meetings or other engagement methods.	75	25
<b>Average</b>	<b>97</b>	<b>3</b>

**Conclusion:**

Feedback from stakeholders confirms that the Internal Audit Shared Service is considered to provide a good quality internal audit service whose brief is clearly understood and the assurance and advice that is provided is well regarded. A small number of respondents were less positive regarding the emphasis placed on significant risk and the increasing need to add value through provision of advice regarding new ideas and best practice elsewhere.

# Key PSIAS Standards assessed

(for benchmarking purposes)

Standard		Focus
1000	Purpose, Authority and Responsibility	The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the <i>Standards</i> . The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.
1100	Independence and Objectivity	The internal audit activity must be independent, and internal auditors must be objective in performing their work.
2010	Planning	The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.
2020	Communication and approval	The chief audit executive must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.
2030	Resource Management	The chief audit executive must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.
2040	Policies	The chief audit executive must establish policies and procedures to guide the internal audit activity.
2050	Co-ordination	The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.
2060	Reporting	The chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board.
2200	Engagement planning	Internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing, and resource allocations.
2300	Work programme	Internal auditors must identify, analyse, evaluate, and document sufficient information to achieve the engagement's objectives.
2400	Communicating results	Internal auditors must communicate the results of engagements
2450	Overall opinions	When an overall opinion is issued, it must take into account the expectations of senior management, the board, and other stakeholders and must be supported by sufficient, reliable, relevant, and useful information.

# Basis for EQA

---

## Compliance with IPPF/PSIAS

- **Resources**

Business Vision and Mission, Governance arrangements, Recognition of standards, Guidance, Procedures and Supervision, Terms of Engagement, Ethics and business conduct.

- **Competency**

Charter, Internal Audit Manual, Planning and Allocation of staffing, Recruitment (Numbers and skills), Training (Professional and Technical), Appraisal and Development

- **Delivery**

Client engagement and relationship, Directed led service, Terms of Engagement (Audit/Assignment Brief), Discussion of assurance and advisory opinions, Reporting at assignment and strategic levels

# Grading of recommendations

- The grading of recommendations is intended to reflect the relative importance to the relevant standard within the Public Sector Internal Audit Standards (PSIAS).

Recommendation grading	Explanation
<b>Enhance</b>	The internal audit service must enhance its practice in order to demonstrate transparent alignment with the relevant PSIAS standards in order to demonstrate a contribution to the achievement of the organisations' objectives in relation to risk management, governance and control.
<b>Review</b>	The Internal audit service should review its approach in this area to better reflect the application of the PSIAS.
<b>Consider</b>	The internal audit service should consider whether revision of its approach merits attention in order to improve the efficiency and effectiveness of the delivery of services

- In grading our recommendations, we have considered the wider environment in terms of both the degree of transformation that is currently taking place as well as our assessment of the level of risk maturity that currently exists, as these will have a consequence for the conduct of internal audit planning as well as subsequent communication.

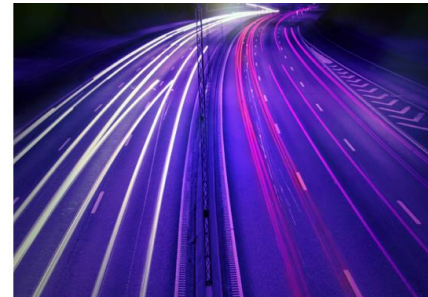
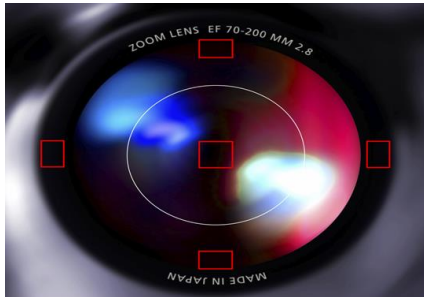


# Lichfield District Council

## External Quality Assessment

Internal Audit Services

Executive Summary for Audit Committee – 23 March 2023



# Basis for overall opinion

**Generally Conforms** means the evaluator 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 conformance to a majority of the individual *Standards* or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must 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.

**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.

**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. Often, the most difficult evaluation is the distinction between general and partial. It is a judgment call keeping in mind the definition of general conformance above. Carefully read the *Standard* to determine if basic conformance exists. The existence of opportunities for improvement, better alternatives, or other successful practices do not reduce a generally conforms rating.

Source: Institute of Internal Auditors (2016)

	Score
Tamworth /Lichfield	81%
LG Average	82%
LG range	73 -90%



# External Quality Assessment

Lichfield District Council

Overall Opinion – **GENERALLY CONFORMS**

The logo for Business Risk Solutions is a blue rectangle with a yellow border. The text 'BUSINESS' is in white, 'RISK' is in yellow, and 'SOLUTIONS' is in white.

BUSINESS  
RISK  
SOLUTIONS

## **Good Practice identified during the review**

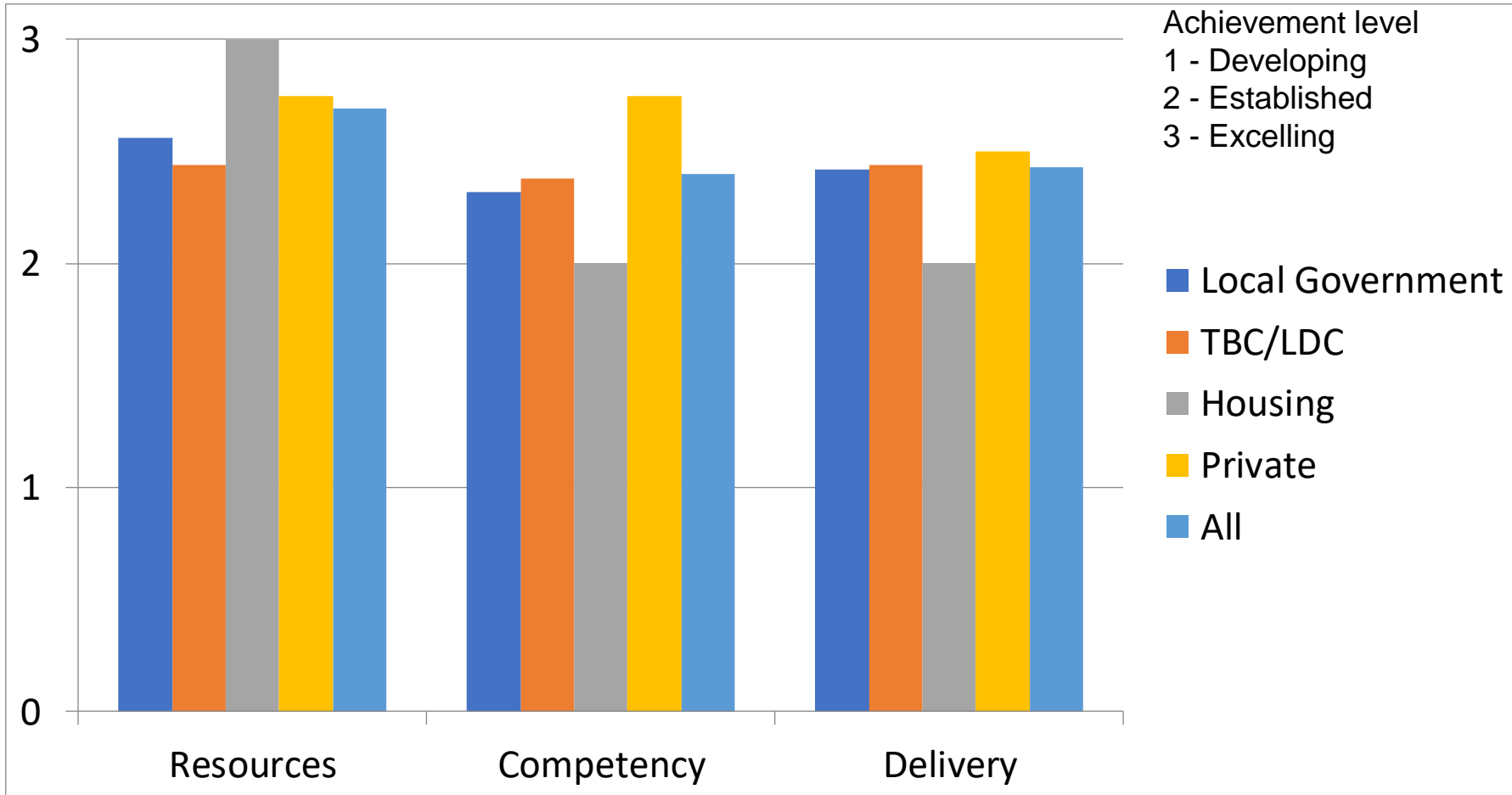
- An Internal Audit Charter setting out the role and responsibilities of Internal Audit within the Councils guides delivery and establishes the basis for delivery of Internal Audit.
- Shortfalls in resources are supplemented with external support,
- The service has developed a documented internal audit methodology and supporting templates that delivers a consistent risk-based service.
- Self-assessment and the Quality Assurance Improvement Programme identifies areas in which future development will be beneficial,
- Routine reporting informs clients and the Audit and Members Standards Committee regarding progress regarding completion of the internal audit plan, findings and the follow up of recommendations, and
- Appropriate statements regarding confidentiality and limitation of liability are included in internal audit reporting.

# Areas where further attention should be beneficial to the team and its clients

---

## Key matters arising from the review:

- Increasing integration by internal audit of risk-based techniques with the risk appetite of LDC particularly in terms of planning at a strategic and engagement level would be mutually beneficial,
- Ensuring clear logic regarding the use of inherent and residual risk in the form of 'Control Risk' through working papers for each assignment in order to focus on agreed management objectives, significant risks and relevant key controls would better support the content of the assurance provided.
- Consideration should be given to expressing internal audit recommendations and opinions in line with the risk appetite of the Council as stated within the Risk Management Policy as this would enhance transparency and communication with clients.
- Where high risk recommendations are identified ensure these support a negative audit opinion which is appropriately reflected in strategic and operational risk registers,
- Review the narrative used within the Annual Opinion in the Head of Internal Audit Annual Report to reflect the strategic planning process and therefore the cumulative knowledge of both significant risks and other sources of assurance that are available and upon which reliance has been placed.



## External Quality Assessment Action Plan

	Priority	Issue Identified	Recommended Action	Management response	Officer responsible/ timescale	Status
1.	Review	<p><b>Internal Audit Charter (IAC)</b> The IAC is comprehensive regarding engagement reports however does not contain details of the requirement for the Chief Audit Executive (CAE) to deliver an Annual Report including an opinion in relation to risk management, governance and control.</p>	<p>Include an appropriate statement in the Internal Charter with regard to the provision of an Annual Report and align this with regard to the benefit of aligning the internal audit planning process with a continuous assessment of the risk environment faced by each client, in order to support the provision of the annual opinion regarding risk management, governance and control.</p> <p>. <b>PSIAS 1000</b></p>	<p>Agreed.</p> <p>To be implemented via a review of Internal Audit Charters for 2023/24.</p> <p>This will improve wider outcomes in the Council so that the audit plan is more focussed on ensuring strategic/operational risks are mitigated to provide assurance.</p>	<p>Audit Manager</p> <p>May 2023</p>	
2.	Review	<p><b>Performance appraisal</b> The self-assessment identified that the CAE's appraisal which is undertaken by the Chief Executive at Tamworth Borough Council (TBC) has not taken place. A new appraisal process is to be introduced at Lichfield District Council (LDC).</p> <p>.</p>	<p>Ensure that a robust performance appraisal process is in place within the Internal Audit Team With regard to the Audit Manager consider Inviting observations from both Chairs of Audit Committee in advance of the performance appraisal, as this would provide valuable client feedback and reflect best practice.</p> <p><b>PSIAS 1110</b></p>	<p>Agreed.</p> <p>Ongoing review of Audit Manager performance maintained by Chief Executive at Tamworth BC and both Section 151 Officers. Discussions to agree further approach.</p>		

3.	Consider	<p><b>Declarations of interest</b> Each Council has adopted different practices regarding the protocol for declarations or conflicts of interest. Due to the independent nature of internal audit work it would be beneficial for internal audit staff and any contractors to confirm the position on an annual basis.</p>	<p>The CAE should obtain confirmation regarding potential conflicts of interest on 1 April each year and on appointment of any further staff or contractors undertaking internal audit engagements at the Councils.</p> <p><b>PSIAS 1100</b></p>	<p>Agreed</p> <p>Previous declarations of interest have been recorded but only updated if changes have occurred. However to comply with best practice will implemented annual reviews.</p>	<p>Audit Manager</p> <p>April 2023</p>	
4.	Review	<p><b>Audit Universe</b> The current internal audit planning model reflects use of a “standard audit universe’ to which a cyclical approach to reviewing areas of activity is applied in consultation with management. This is provided for in circumstances where the client risk management system cannot be relied upon. Internal Audits of risk management have provided positive opinions in relation to their application and as a result it would be beneficia therefore to increasing align the focus of strategic and engagement planning with each clients risk environment as this would enhance internal audits’ ability to demonstrate a commitment to helping each Council achieve its objectives.</p>	<p>The development of a comprehensive internal audit plan that reflects the significant risks that are recorded within each Councils risk management system represents an essential feature of both strategic and operational internal audit planning as it acts as a basis for both ensuring attention on significant risks on a priority basis as well as providing an indication of the resources required to provide continuous independent assurance. Internal Audit works with each client manager at the time of an engagement to identify significant risks; it would be opportune to increasingly recognise and promote the value of ‘Control Risk’ at an operational level and transparently integrate this within the planning process, identifying sources of assurance as a matter of routine. It would be beneficial therefore to increasingly align development of the</p>	<p>Agreed</p> <p>Review of current audit universes at both Tamworth and Lichfield.</p> <p>Change of current working practices to develop the auditing of control risks and linking into strategic and operational risk registers are both authorities. To be supported by the current reviews of Strategic Risk Registers which looks at mitigating controls. Additionally, this will improve wider outcomes in the Council so that the</p>	<p>Audit Manager</p> <p>March 2024</p>	

		<p>It may be beneficial to consider the content of each clients risk management process as the Audit Universe in future.</p>	<p>internal audit planning system with each Councils risk management processes in order to ensure that resources are consistently focused on areas where assurance is required regarding the operation of policies, procedures and controls that mitigate the significant risks to which the Council is exposed at an inherent level.</p> <p>It may be that such an approach would also help embed effective risk management within each clients governance processes.</p> <p><b>PSIAS 2000/2010</b></p>	<p>audit plan is more focussed on ensuring strategic/operational risks are mitigated to provide assurance.</p>		
5.	Consider	<p><b>Purpose of the system subject to review</b></p> <p>Audit Planning Memorandum currently contains a statement which reflects the 'Management Objective' of the area subject to review. Whilst the terminology is correct statements tend to focus on a generic statement regarding the internal control environment rather than focusing on what management are aiming to achieve, in accordance with Public Sector Internal Audit Standards (PSIAS) requirements, which recognise the value of focusing</p>	<p>The inclusion of a Management Objective is regarded as good practice however it may be beneficial to increasingly capture the specific aims of management in each review to which can be aligned the significant risks being faced within the area under review .</p> <p>This will assist with the discussions with client managers and specifically the identification of the significant risks which may impact upon achievement of the established objectives and upon which the assurance opinion should be based. The significant risks may be all or some of those identified with the risk management process as well as others recognised at the time of audit.</p>	<p>Agreed</p> <p>Audit Planning and pre-meetings will incorporate aims of management in the Audit Brief.</p>	<p>Audit Manager</p> <p>April 2023</p>	

		on operational management objectives.	<b>PSIAS 2201</b>			
6.	Consider	<p><b>Recognition of identified key controls</b></p> <p>The current risk management methodologies require identification of the primary controls which exist as well as the further mitigating controls which are to be developed. These are likely to represent the key controls upon which the audit should be based, as they represent 'Control Risk' and the implications should a failure of controls occur.</p>	<p>It would be beneficial to increasingly focus on what is regarded as a 'significant risk' within each Councils risk management processes and the associated primary controls as this would increase efficiency through allocating appropriate resources to those areas of most concern. There is limited feedback from the client survey which indicates that the Shared Service might provide increased focus on significant risk and introducing advice best practice within the audit approach and these may be areas where increased understanding of risk throughout the process may produce results which are regarded as adding value by clients.</p> <p><b>PSIAS 2010</b></p>	<p>Agreed.</p> <p>To be developed over 2023/24 towards full implementation.</p> <p>This will improve wider outcomes in the Council so that the audit plan is more focussed on ensuring strategic/operational risks are mitigated to provide assurance.</p>	<p>Audit Manager</p> <p>March 2024</p>	
7.	Review	<p><b>Consideration of Fraud</b></p> <p>The Team maintain a Fraud Risk Register demonstrating compliance with the standards regarding the recognition of potential fraud, however this is not directly considered when scoping engagements.</p>	<p>Ensure that the areas reviewed within an engagement include those where potentially significant fraud risks exist.</p> <p><b>PSIAS 2030</b></p>	<p>Agreed.</p> <p>As part of annual review of Fraud Risks and reported to respective Committees at Tamworth and Lichfield.</p>	<p>Audit Manager</p> <p>October 2023</p>	
8.	Review	<p><b>Quality Improvement Assurance Policy</b></p>	<p>It would be beneficial to update the policy in line with best practice and as</p>	<p>Agreed.</p>	<p>Audit Manager</p>	

		<p>The service has introduced a Quality Improvement Assurance Policy (QIAP) in accordance with the requirements of the standards. The policy focuses on consistent internal review of engagements, an annual assessment against the standards and the External Quality Assessment (EQA) review on a five year cycle. The Head of Internal Audit's Annual report confirms that aspects of the policy have been completed in a diagrammatic presentation.</p> <p>Industry best practice now reflects an extension of the quality review process to include consideration of wider performance in the form of KPI's, resources, skills and training requirements.</p>	<p>required confirm annually that all measures have operated during the year as well as summarise any outcomes influencing future development of the service within the Head of Internal audit's Annual Report.</p> <p><b>PSIAS 1300</b></p>	<p>QIAP to be reviewed at both Councils and implemented. Changes to be incorporated into the QAIP for 2023/2024.</p>	<p>July 2023</p>	
9.	Review	<p><b>Governance</b></p> <p>The standards require the CAE to provide an annual opinion regarding the effectiveness of governance arrangements. Current planning includes various aspects of the governance process including Ethics, Conflicts of Interests and Members expenses.</p>	<p>In Local Government, each Council establishes a Code of Governance in accordance with CIPFA SOLACE – it would be beneficial to map internal audit activity to the content of the Code in order to provide assurance at a level which contributes directly to the Annual Governance Statement through the Head of Internal Audit Annual Report.</p>	<p>Agreed.</p> <p>To be implemented as part of AGS for 2022/2023 and ongoing development. To be linked with Monitoring Officer at LDC and internally within TBC.</p>	<p>Audit Manager</p> <p>March 2024</p>	



			<b>PSIAS 2110</b>			
10.	Review	<p><b>Risk Management</b> Internal Audit last reviewed risk management as an assignment in TBC (March 2021) and LDC (March 2022) providing a 'Reasonable' assurance opinion.</p>	<p>The standards require an annual opinion to be made in the Head of Internal Audit's Annual Report regarding the adequacy and effectiveness of each Councils risk management processes. It would therefore be beneficial to support the opinion with evidence of how this has been reached through a combination of the assurances gained at both a strategic level and at an operational level within engagements. It would be beneficial to document in this approach how any potential conflict of interest with regard to the Audit Manager and Principal Auditor's roles relating to risk management is managed.</p> <p><b>PSIAS 2120</b></p>	<p>Agreed</p> <p>To be implemented as part of Annual Internal Audit Reports submitted to each Council Audit Committees.</p>	<p>Audit Manager</p> <p>April 2023</p>	
11.	Consider	<p><b>Head of Internal Audit Annual Opinion</b> The current statement is largely based upon the work completed in the current financial year. Best practice reflects using a wider basis for the opinion reflecting the full knowledge of the CAE including significant risks which each client is facing</p>	<p>In practice, the opinion is actually based upon the continuous thread or trend of assurance work completed in recent years as a result of the focus of internal audit plans, the wider knowledge of significant risks and the various sources of assurance that exist, including the risk management processes. Future opinions should state the full basis upon which the opinion has been reached.</p>	<p>Agreed.</p> <p>Updating of audit opinion for new financial year 2023/24</p>	<p>Audit Manager.</p> <p>April 2023</p>	

		and information from other assurance sources.	<b>PSIAS 2450</b>			
12.	Consider	<p><b>Internal Audit Risk Based Strategy</b></p> <p>The teams approach to assessment of the perceived risk at inherent and residual levels within an engagement is reflected in the grading of recommendations and opinions which are then used in reporting.</p> <p>Audit Engagement Plans and Reports contain an explanation of how the Internal Audit Team relate the level of risk evaluation to the conduct of the audit.</p> <p>It would be beneficial to ensure that the wording used is consistent with risk management terminology used by each client.</p> <p>PSIAS guidance emphasises that the focus of internal audit should be on 'significant' risk.</p>	<p>Consider reviewing the wording of definitions that support the grading of recommendations and opinions to better reflect risk appetite of each client. Particular attention should be given to the use of wording such as Fundamental and Significant. Within engagement reports this would then link to alignment of assurance opinions where fundamental or a series of significant recommendations automatically generated a 'Limited Assurance' opinion.</p> <p>Consider whether maintained a fourth level of assurance (being no assurance) is necessary.</p> <p><b>PSIAS 2420</b></p>	<p>Agreed.</p> <p>In conjunction with further reviews of wording and audit opinion, to be carried out in conjunction with these reviews.</p>	<p>Audit Manager</p> <p>December 2023</p>	

## Suggested Enhancements for consideration

	Issue Identified	Recommended Action	Management response	Officer responsible/ timescale	Status
1.	<p><b>Job descriptions</b> Current job descriptions are in a consistent form but are not routinely reviewed as part of the PDR process..</p>	<p>Best practice reflects regular update of job descriptions, it may be beneficial to review all job descriptions at the same time to ensure that any inter-dependencies are fully reflected, particularly as the two currently vacant posts are advertised</p> <p><b>PSIAS 1210</b></p>	<p>Agreed</p> <p>Review of job Descriptions to be undertaken.</p>	<p>Audit Manager.</p> <p>April 2023</p>	
2.	<p><b>Client surveys</b> Progress has been made in obtaining feedback from auditees following each audit through discussions with client managers and within the annual planning process. Current completion reflects 66% TBC and 82% LDC. This provides informal confirmation from clients regarding the Teams ability to deliver upon its responsibilities and particularly add value.</p>	<p>Internal Audit may find it useful to utilise Survey Monkey or similar technology for collecting feedback and capture similar feedback in relation to each contractors performance, as this can prove to be an efficient means of gathering an early response. Feedback should be included as part of the QAIP process.</p> <p><b>PSIAS 2000</b></p>	<p>Agreed.</p> <p>Will review the possibility and functionality of Survey Monkey and determine a way forward.</p>	<p>Audit Manager</p> <p>April 2023</p>	
3.	<p><b>Contract support</b> A contract is in place with each contractor which states that delivery of services should comply with the PSIAS.</p>	<p>In order to evidence that the Shared Service is compliant in overall terms it would be helpful if each contractor were requested to provide evidence that their work had been independently assessed in accordance with the PSIAS.</p>	<p>Agreed</p>	<p>Audit Manager</p>	<p>Complete</p>

		<b>PSIAS 1312</b>			
4.	<p><b>Key Performance Indicators</b> Completion of the Internal Audit Plan is regarded as the current focus of performance monitoring, although other indicators based on recommendations and opinions made in the year are recorded in the Head of Internal Audit's Annual Report. Good practice elsewhere utilises a range of quantitative and qualitative measures to demonstrate performance against the Internal Audit Charter.</p>	<p>Consideration could be given to devising a more comprehensive list of indicators and a summary of client feedback received. This may include:</p> <ul style="list-style-type: none"> <li>• Reports issued to agreed timescales</li> <li>• Recommendations accepted/not accepted by risk rating</li> <li>• Recommendations acted upon in a timely manner</li> <li>• Client satisfaction</li> <li>• Staffing levels and qualifications</li> <li>• Planned training completed</li> </ul> <p><b>PSIAS 1310</b></p>	<p>Agreed</p> <p>Will review current KPI's and in conjunction with client managers determine a suite of KPI's for Internal Audit.</p>	<p>Audit Manager</p> <p>March 2024</p>	
5.	<p><b>Training</b> The Internal Audit Team has developed a comprehensive training and skills matrix which includes reference to mandatory requirements although this has not been maintained. As the internal audit planning process devises a forward looking three year plan it would be beneficial to consider the future training needs of internal audit staff and include these in future resource planning.</p>	<p>Consider the benefits of using the priorities included in internal audit plans to identify potential courses or seminars which may provide increased understanding of the risk environment that will be reviewed. Ensure that training records are maintained and used to inform the QAIP.</p> <p><b>PSIAS 1210</b></p>	<p>Agreed</p> <p>Review training and implement as determined by the knowledge and experience of auditors.</p>	<p>Audit Manager</p> <p>March 2024</p>	

6.	<p><b>Internal Audit Manual</b> The Team has compiled an Internal Audit Manual which was last reviewed in December 2022.</p>	<p>Following completion of the EQA, consider revising the Manual to fully reflect current practice rather than generic example as this will assist when training new staff. It may be useful to include the Internal Audit Protocol document within the Manual as this represents an excellent way of explaining the internal audit process to all stakeholder</p> <p><b>PSIAS 2030</b></p>	<p>Agreed.  Implement changes as suggested.</p>	<p>Audit Manager  March 2023</p>	
----	--	---	---	--	--