



Northumberland
County Council

Internal Audit and Risk Management Service

2022/23 Opinion on the Adequacy and Effectiveness of the Framework of Governance, Risk Management and Control

July 2023

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1 Purpose of Report and Background

- 1.1 This report has been written by the Head of Internal Audit & Risk Management (Chief Internal Auditor) to provide an annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control, taking into account the expectations of the Council's Executive Team, Audit Committee and other key stakeholders.
- 1.2 The Accounts and Audit Regulations 2015 (Part 2, Regulation 5) require that "*a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*"
- 1.3 The Public Sector Internal Audit Standards (PSIAS) came into effect on 1 April 2013 and were revised on 1 April 2017. The PSIAS and associated Local Government Application Note were issued by the Chartered Institute of Public Finance and Accountancy and are the mandatory standards with which every Internal Audit provider delivering such services in local government is required to comply.
- 1.4 The PSIAS require that the 'Chief Audit Executive' (Chief Internal Auditor) provides an annual report to the 'Board' (Audit Committee), timed to support the annual governance statement. This report meets all requirements of the PSIAS in this regard and includes a summary of audits and assurance sources which support the opinion provided, covering each of the component elements of the framework of governance, risk management and control.

2 Internal Audit Service 2022/23

- 2.1 Internal Audit provides "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."¹
- 2.2 The Council's Internal Audit Service assists management by testing to see whether the controls established for any given system are appropriate. It is important to stress however that Internal Audit, while part of the Council's overall assurance framework, is not a substitute for effective internal control within the Council's systems. Internal Audit must provide an independent and objective opinion on the organisation's control framework.
- 2.3 In order to provide an overall opinion, Internal Audit agrees a plan of work and the plan for 2022/23 was agreed by Audit Committee on 23 March 2022. Internal Audit's programme of work during 2022/23 consisted of:
 - Assurance reviews;
 - Advice and guidance;
 - Consultancy / programme assurance activity;
 - Counter fraud / investigative work
 - Grant claim certification.

¹ Public Sector Internal Audit Standards, IIA / CIPFA April 2017

- 2.4 The Internal Audit Charter codifies the practices and arrangements governing how Internal Audit conducts its work within Northumberland County Council. The Internal Audit Charter is regularly reviewed and agreed by Audit Committee and includes:
- the objectives of Internal Audit;
 - the position of Internal Audit within the organisation;
 - the scope of Internal Audit's activity; and
 - Internal Audit's authority and right of access to all records.
- 2.5 The PSIAS require that the Head of Internal Audit and Risk Management (Chief Internal Auditor) must confirm to Audit Committee, at least annually, that the internal audit activity is organisationally independent. This requirement is reinforced within the Internal Audit Charter. The Head of Internal Audit and Risk Management can confirm that there were no instances during 2022/23 where the Head of Internal Audit and Risk Management's personal independence or objectivity was impaired.
- 2.6 The PSIAS requires that in order to meet its statutory responsibilities, Internal Audit needs to be appropriately resourced to meet its objectives. Where the Head of Internal Audit and Risk Management believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the Audit Committee.
- 2.7 Resourcing of the Internal Audit Service is closely monitored. Following the decision to end the shared service arrangement at the end of the 2021/22 financial year and fully return the service to within the Council, some strengthening of the team structure was required. During 2022/23, the revised team structure has been developed and implemented, with additional recruitment taking place. There has been an impact upon completion of planned activity during 2022/23 due to some posts being vacant for part of 2022/23, and sickness absence, however this has not resulted in the inability to provide an internal audit opinion. Recruitment in respect of one remaining vacant post is currently underway.

3 2022/23 Opinion Statement

- 3.1 The Chief Internal Auditor is required to provide an annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control, in accordance with the Public Sector Internal Audit Standards. For 2022/23, an overall 'limited' level of assurance is provided.
- 3.2 The Chief Internal Auditor's opinion includes a summary of the audits and assurance sources which support the opinion provided and covers each of the component elements of the framework of governance, risk management and control.
- 3.3 The opinion is informed by the areas reviewed by Internal Audit, and the progress made by the organisation to action Internal Audit recommendations. There are no limitations in the scope of the opinion. Assurance can never be absolute, and neither can Internal Audit work be designed to identify all weaknesses that might exist. It is recommended that the Chief Internal Auditor's overall opinion on the framework of governance, risk management and control is considered as a source of assurance for the preparation of the Annual Governance Statement for 2022/23, and its subsequent approval by the Audit Committee.

- 3.4 In accordance with its role, Internal Audit has agreed recommendations with management aimed at further strengthening the control environment in operation within the organisation. It is management's responsibility to implement agreed recommendations. Internal Audit are working with colleagues in Information Services to pilot an audit management solution which has been developed during 2022/23, to incorporate the management, follow-up and reporting of Internal Audit recommendations across the organisation.
- 3.5 The Council's Section 151 Officer issued a report under s114 and s114A of the Local Government Finance Act 1988, on 23 May 2022. The report explained the Section 151 Officer's view that the Council had incurred items of unlawful expenditure and the background information regarding that view, in relation to unlawful commercial trading and payment of an allowance to a former officer. Within her report, the Section 151 Officer recommended that further action be taken, including:
- (a) an independent investigation into the circumstances that gave rise to unlawful trading activity; and
 - (b) Internal Audit investigation into a small number of other potentially unlawful payments to officers and review of all exit packages with a value of £100k or more.
- 3.6 At the time of writing this opinion, the Chief Internal Auditor is aware that in respect of these actions:
- (a) the independent investigation into the circumstances that gave rise to unlawful trading activity has not yet been concluded; and
 - (b) the outcomes of Internal Audit's review was reported to Audit Committee in January 2023. The consideration of the review's findings by the Section 151 Officer and Monitoring Officer has not yet been concluded.
- 3.7 Any further impact on the wider framework of governance, risk management and control arising from these matters will be considered by the Chief Internal Auditor as they are concluded and reported to the County Council.

Governance

- 3.8 A number of unprecedented governance matters occurred within the Council during 2020/21 and 2021/22. These matters were wide ranging in nature and in volume. During 2021/22 the Leader of Council commissioned an Independent Governance Review which was undertaken by Solace in Business, led by Max Caller CBE. The findings from this review were reported to the County Council meeting on 8 June 2022. A number of governance issues were identified and reported and it was clear that the Council needed to take swift action in order to address the weaknesses in governance arrangements.
- 3.9 Throughout 2022/23, and into 2023/24, the Council has implemented a number of actions in response to the recommendations arising from both the Independent Governance Review and the Section 151 Officer's s114 Report. Progress on the implementation of recommendations has been reported to meetings of the County Council and to Audit Committee, supplemented with reports from an independent Challenge Board.

- 3.10 At its meeting in May 2023, the County Council agreed a revised Constitution, including updated Finance and Contract Procedure Rules. Internal Audit reviews in recent years have included recommendations referencing the need for the Constitution and Finance and Contract Rules to be updated.
- 3.11 The Chief Internal Auditor is aware that significant action has been taken by the Council to strengthen governance arrangements during 2022/23 and into 2023/24, and reliance can be placed on reports on progress from the independent Challenge Board and reports to Cabinet, full Council and Council committees. The Strategic Audit Plan for 2023/24 includes a number of assignments aimed at providing assurance that appropriate improvements in controls and governance are embedding across the Council.

Risk Management

- 3.12 A 'significant assurance' opinion was provided in respect of the Internal Audit review of Risk Management undertaken in 2020/21. Appropriate arrangements were found to be in place across the Council and given the importance of effective risk management, a 'significant assurance' opinion in respect of this aspect of the Council's arrangements is to be welcomed.
- 3.13 During 2022/23 and into 2023/24, the Council's corporate risks have been reviewed, reflecting the changing risk profile of the organisation. Work is currently underway to review corporate risks with the Executive Management Team and Cabinet, following the agreement of a new Corporate Plan in May 2023.
- 3.14 During 2022/23, the management of non-corporate level risks has continued across the Council, at Service Strategic, Operational and Project level. A number of risk workshops have been held across the Council, with an increased number of risk registers in operation and improved consistency across services. An updated Risk Management Policy and Risk Management Framework is currently being completed for approval in 2023/24.

Control

- 3.15 Judgement is informed by the well-established framework of core financial systems which are in place within the Council. This was reinforced by the volume of grant claim certifications undertaken by Internal Audit during the year, whereby grant claims totalling £48.312m were certified and all certifications undertaken were found to be compliant with the grant provider's requirements. Of these, claims totalling £24.14m had not been scheduled within Internal Audit's plan of work and needed to be included, on occasions at short notice. A number of 'limited assurance' opinions were issued during the year, with areas for improvement in key controls identified, although no 'no assurance' audit opinions were issued or are planned to be issued. A summary of each review finalised has been reported to Audit Committee throughout the year in regular Key Outcomes reports. A full list of audits performed and opinions issued is included at **Annex A**.
- 3.16 In November 2022, Internal Audit concluded work reviewing potentially unlawful payments following the Section 151 Officer's s114 Report in May 2022. At the conclusion of this work, Internal Audit issued a 'critical priority' recommendation and a 'high priority' recommendation aimed at improving the procedures and controls in

place within systems and to ensure compliance with relevant legislation. A summary of these reviews was reported to Audit Committee in January 2023.

Conclusion

- 3.17 Internal Audit's experience and work performed during 2022/23, and the concerns raised by the Independent Governance Review and by, and following, the Section 151 Officer's s114 report, the Head of Internal Audit and Risk Management has concluded that whilst many internal systems of governance, risk management and control are operating effectively across the Council, the areas of weakness identified lead to an overall 'limited' level of assurance.
- 3.18 It is clear that following the concerns identified in early 2022/23, swift action has been taken by the Council to address the issues and improve the framework of governance, risk management and control. This has continued into 2023/24 with the agreement of a new Corporate Plan, Constitution and Finance and Contract Rules in May 2023. These matters will continue to be a focus of the Council's attention in improving governance, risk and control systems further during 2023/24.
- 3.19 Changes in the Council's framework of governance, risk management and control, will continue to be reflected in Internal Audit's coverage. Internal Audit's plan of work for 2023/24 includes a number of assignments aimed at providing assurance over the implementation and embeddedness of improvements and actions taken to address governance and control issues.

4 Audit Work Performed During 2022/23

- 4.1 Internal Audit has provided an audit, advice and programme assurance service to the Council in 2022/23, in accordance with the PSIAS and accompanying Local Government Application Note. The service has been provided utilising a variety of methods, summarised below. A full list of audit work performed is included at **Annex A**.

Assurance reviews

- 4.2 A framework of opinion classifications is used in Internal Audit reporting. The framework applies an overall assurance judgement to each system audited, and was reviewed and updated as part of service developments during 2022/23, as defined below:

Assurance Level	Description
Substantial Assurance (Previously Full Assurance)	There is an effective system of internal control in place designed to achieve the Council's objectives with only minor issues identified which require improvement.
Reasonable Assurance (Previously Significant Assurance)	There is a generally sound system of control in place. However, some weakness in the design of, or occasional non-compliance with, key controls put the achievement of the system's objectives at risk in some areas reviewed.
Limited Assurance	Weaknesses in the design of, or regular non-compliance with, key controls put the achievement of the system's objectives at risk in some or all of the areas reviewed.
No Assurance	Significant weaknesses in the design of, or consistent non-compliance with, key controls could result (have resulted) in failure to achieve the system's objectives in the areas reviewed.

4.3 The opinions given to assurance reviews finalised and issued during 2022/23 are shown in **Annex A**. Of 16 opinions issued, 9 'significant' or 'reasonable' assurance opinions were provided (56.25%), with 7 'limited' assurance opinions (43.75%). A number of assignments are also at draft reports stage or in the process of being finalised.

4.4 In addition to the overall opinion given on every audit assignment, individual recommendations within each report are classified as 'critical', 'high', 'medium' or 'low' priority. This prioritisation is designed to assist management in assessing the importance of each recommendation. The definitions of these priority classifications are set out below:

Priority	Classification	Description
1*	Critical	Action that is considered critical to ensure the organisation is not exposed to unacceptable risks.
1	High	Action that is considered urgent to ensure that the service area / establishment is not exposed to high risks.
2	Medium	Action that is considered necessary to avoid exposure to considerable risks.
3	Low	Action that is considered desirable or best practice and would result in enhanced control or better value for money.

4.5 The number of Internal Audit recommendations agreed with management during the 2022/23 audit year, classified against each priority, is provided in the table below (data from previous 5 years is also shown for comparative purposes).

Priority Level	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Critical Priority	Nil	Nil	Nil	Nil	Nil	1 (1%)
High Priority	3 (3%)	Nil	7 (4%)	3 (3%)	2 (2%)	5 (4%)
Medium Priority	47 (53%)	54 (39%)	53 (29%)	32 (30%)	57 (52%)	73 (53%)
Low Priority	39 (44%)	86 (61%)	123 (67%)	72 (67%)	51 (46%)	59 (42%)
TOTAL	89 (100%)	140 (100%)	183 (100%)	107 (100%)	110 (100%)	138 (100%)

- 4.6 Prioritisation of Internal Audit recommendations is controlled through Internal Audit's quality control and file review processes. Implementation of Internal Audit recommendations is reported to Audit Committee throughout the year in Key Outcomes reports. A new system for the monitoring and reporting of Internal Audit recommendation implementation has been developed with Information Services and is planned to be finalised and implemented during 2023/24.

Advice, guidance and consultancy / programme assurance activity

- 4.7 As in previous years, Internal Audit was approached a number of times during 2022/23 for advice, or requested to examine ad-hoc areas or systems. In addition, an increasing role of Internal Audit is to advise on, and challenge, the approach to internal control within new or improved systems and methods of service delivery.
- 4.8 By undertaking such pieces of work, Internal Audit proactively acts as a partner to the business and adds maximum value to service improvement by helping ensure that risks are identified and mitigated with suitable controls as soon as possible.

Counter fraud / investigative work

- 4.9 In common with previous years, Internal Audit has performed a small number of investigations and management requests during 2022/23. These relate to issues which could not be foreseen in advance, and where irregularity may have been indicated. As such, it is important that the organisation can call upon Internal Audit resource to respond quickly to assess the control and governance issues indicated and to secure evidence if required.
- 4.10 In one instance, a bank mandate fraud was identified, with weaknesses in controls associated with the payment of invoices. Swift action was taken by management (supported by Internal Audit) to cease the potential for ongoing impropriety. A small number of concerns identified during 2022/23 related to matters outside of the Council's jurisdiction. Once investigative work was completed, Internal Audit liaised with the Police / external crime agencies as appropriate.
- 4.11 Northumberland County Council is part of the Cabinet Office's National Fraud Initiative and is thus legally obliged to provide relevant information under the requirements of the Audit Commission Act 1998. Before this information can be

provided, the Council is required to ensure that appropriate steps have been taken to notify data subjects held in the organisation's relevant information systems that data may be used for the prevention and detection of fraud.

- 4.12 As in previous years, Internal Audit have acted as the lead within the Council for the NFI data-matching exercise, extracting data from the relevant systems, and submitting these to the Cabinet Office in preparation for the 2022/23 exercise. Details of data matches have been released and officers within relevant departments are investigating and updating the NFI system with outcomes.
- 4.13 During late 2022/23, the Council's Corporate Fraud Team transferred from the Revenues and Benefits section to join the Internal Audit and Risk Management service. This has provided greater opportunity for Internal Audit and Corporate Fraud to work more effectively together and we are in the process of developing a corporate fraud risk assessment for the Council in order to ensure that our counter fraud resource is targeted as efficiently as possible. This will be finalised and agreed during 2023/24.

Grant claim certification

- 4.14 Work undertaken on the certification of grant claims identified controls were in place governing the management of such funding schemes. Grant claims certified by Internal Audit during 2022/23 totalled £48.312m, with all certifications found to be compliant with the grant provider's requirements. A summary of grant certification work completed during 2022/23 is included at Annex A.

Schools' Financial Value Standard

- 4.15 Time was included in the audit plan for 2022/23 to support and co-ordinate the work required by the Schools' Financial Value Standard (SFVS) on behalf of the Council.
- 4.16 The SFVS has been designed in conjunction with schools to assist them in managing their finances and to give assurance that they have secure financial management in place. Governing bodies have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors; however, the Council's Chief Finance Officer is responsible for ensuring that submissions made by schools are in line with the judgements on these schools which have already been reached by Internal Audit.
- 4.17 On behalf of the Executive Director of Transformation & Resources (Section 151 Officer), Internal Audit co-ordinated, received and reviewed Schools' Financial Value Standard submissions, for the Council's grant-maintained schools. All schools were required to submit their self-assessments by the deadline of 31 March 2023 and all submissions were received by the deadline. The Annual Certification to the DfE by the Section 151 Officer has been completed and submitted ahead of the deadline of 31 May 2023.

5 Quality Assurance & Improvement Programme

- 5.1 The PSIAS include a requirement that a Quality Assurance and Improvement Programme (QAIP) is developed by every relevant authority. A QAIP, codifying existing arrangements, was agreed by Audit Committee in January 2023.

5.2 The QAIP details how the requirements of the PSIAS are met within the Internal Audit Service, comprising internal assessments and external assessments.

Outcomes of Internal Assessments

5.3 A number of measures are in place within the Internal Audit Service, encompassing ongoing monitoring of individual assignments and wider periodic assessments.

5.4 Outcomes from ongoing monitoring and review of audit assignments are discussed with individual team members during every assignment and are discussed with the wider team as necessary.

5.5 A number of improvements have been made across the team during 2022/23, following the end of the shared service hosted by North Tyneside Council. Revised internal processes and working papers are now in place, and a new, one page, reporting format was also introduced during 2022/23, with a number of positive comments received from stakeholders and recipients. Further service developments are in progress with the team.

5.6 A series of performance indicators have been formalised during 2022/23 to help monitor and report upon Internal Audit’s performance and effectiveness. Key performance indicators are detailed below, and performance against targets will be reported to Audit Committee during 2023/24. Where available, actual performance for 2022/23 is detailed below.

Key Performance Indicator	Target	Actual during 2022/23
%age of planned productive days achieved	90%	90.5%
%age of number of assignments completed (or substantially completed) compared to planned number of assignments	90%	89.6%
%age of final reports issued within 10 calendar days of receipt of all management responses to draft report	95%	-
Average score from client feedback received	Lower than 2.0	1.307

5.7 For many years, Internal Audit has sought client feedback in respect of all audit reports issued, at the conclusion of each audit assignment. During 2022/23, Internal Audit reviewed the feedback sought at the end of each audit review performed, and developed additional feedback which was also sought for work undertaken on grant claim certification, Schools’ Financial Value Standard and programme assurance assignments.

5.8 Feedback received during 2022/23 was very positive. All feedback sought asks clients to score the service received from 1 to 4 against a number of criteria, with 1 being ‘very satisfied’, 2 being ‘satisfied’, 3 being ‘dissatisfied’ and 4 being ‘very dissatisfied’. During 2022/23, feedback was received from 44 recipients and demonstrated a high satisfaction rate from clients. The overall average score was 1.307 (1.0 is the highest score that can be achieved). Additional feedback from

stakeholders of the Internal Audit Service was also sought as part of an external assessment as detailed below.

Outcomes of External Assessments

- 5.9 The PSIAS require that an external assessment of conformance to the standards by the Internal Audit Service is undertaken at least once every five years. The previous external assessment was undertaken of the shared Internal Audit service with North Tyneside Council in 2018. An external assessment is currently being undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the outcomes will be reported to Audit Committee once concluded.
- 5.10 A self-assessment of conformance to the standards was undertaken and reported to Audit Committee in January 2023. The self-assessment reported a high level of conformance and highlighted a small number of areas in which further development would assure greater adherence to the required standards, with identified actions. An update on all actions is set out in Annex B.

Annex A: Summary of Internal Audit Work During 2022/23

Formal Reports Issued

Audit	Opinion
Arrangements for Managing Delivery of the Council's Climate Change Action Plan	Significant
Civil Contingencies and Business Continuity	Limited
Communities Together Grant Payments	Significant
Hardware and Software follow up	Limited
Health & Wellbeing	Significant
IS Incident, Problem and Change Management	Limited
Office 365 / SharePoint	Limited
Oracle Fusion	Limited
Payroll	Limited
Public Services Network	N/A
Reviews in relation to potentially unlawful payments following S114 Report	N/A
Review of Planning Procedures	Limited
Schools Thematic Review – Local Account – Directorate Report	Significant
Schools Thematic Review – Local Account – High School	Significant
Schools Thematic Review – Value for Money – First School	Reasonable
Schools Thematic Review – Value for Money – Primary School	Reasonable
Schools Thematic Review – Value for Money – Middle School	Reasonable
Schools Thematic Review – Value for Money – High School	Reasonable

Reports Pending from 2022/23 (draft report issued)

Audit
Arrangements for Managing Contracts we Deliver and Associated Performance
Capital Programme
Cyber Security
Data Storage
Ethical Governance
ICT Business Continuity and Disaster Recovery
Information Governance
Payroll
Retrieval and Access Rights

Grant Claim work / certification

• Covid-19 Capacity Fund	£1.288m
• The Sele School – Teaching School Core Grant	£0.013m
• COVID-19 Test and Trace Contain Outbreak Management Fund	£13.122m
• North-East Rural Growth Network Capacity Funding Grant	£7.301m
• Public Health Funding for Additional Drug Treatment Crime and Harm Reduction Activity	£0.350m
• Supporting Families	£0.258m
• Local Transport Plan and associated grants	£23.426m
• Bus Service Operators Grant	£0.500m
• Green Homes Grant 1	£1.864m
• Green Homes Grant 2	£0.029m
• Adult Weight Management Service	£0.118m
• Biodiversity Grant	£0.043m
	<hr/>
	£48.312m

Programme Assurance / Projects Groups

- Payment Card Industry Data Security Standard (PCIDSS)
- An overview of IT controls within the new recruitment system prior to the system going live
- An overview of the new recruitment approval processes and associated forms
- Covid-19 Business Grant Funding, including pre and post payment assurance and returns to BEIS
- Energy Bills Council Tax Rebate –providing advice and guidance to colleagues in Finance regarding systems and processes as these were developed to make payments to qualifying households

Ad-hoc Queries / Requests for Advice

Internal Audit receives requests for ad-hoc advice and support throughout the year, in respect of which we may be required to extract prime data or produce analysis but where it is not always appropriate to issue a formal report. During 2022/23 work in this area has included:

- Procedures for the retention/deletion of email accounts
- Support to services regarding document retention and storage of electronic data and in relation to maintaining separation of duties following changes to staff roles
- Support to the ongoing review of the Council's Constitution and Finance and Contract Rules

Annex B: Compliance with PSIAS – Improvement Actions Update

As reported to Audit Committee in January 2023, the Public Sector Internal Audit Standards include a number of requirements and there is the ability to state whether there is conformance, partial conformance or non-conformance. The self-assessment checklist contains 324 individual questions and of these, 21 refer to arrangements which are not currently applicable to us. Of the remaining 303 questions, the self-assessment demonstrated a high level of conformance as follows:

'Conforms'	289	95.4%
'Partial'	13	4.3%
'Not Conforming'	1	0.3%
Total	303	100%

Where questions were self-assessed as 'partial' or 'not conforming', actions were identified to address these (with most already in progress). Further updates will be reported to Audit Committee during 2023/24.

Standard	Summary from self-assessment in January 2023	Update as at June 2023
Attribute Standard 1000 – Purpose, Authority and Responsibility	20 questions, relating to purpose, authority and responsibility, and the contents of the internal audit charter. 19 questions self-assessed as 'Conforms'. 1 question self-assessed as 'Partial' with an action identified to make details of assurance services provided to external parties explicit within the Internal Audit Charter when next revised.	Revised Audit Charter currently being drafted pending outcome of external quality assessment, incorporating required wording in addition to necessary amendments following restructure.
Attribute Standard 1200 – Proficiency and Due Professional Care	21 questions, relating to proficiency, due professional care, skills, qualifications, and capability. All 21 questions self-assessed as 'Conforms'. However, an action has been identified relating to plans to formalising the use of computer-assisted audit techniques and automating audit processes where possible.	Identified as an action to be implemented during 2023/24. Work is already in progress.
Attribute Standard 1300 – Quality Assurance and Improvement Programme	33 questions, relating to the Quality Assurance and Improvement Programme, internal assessments, external assessments, reporting on the QAIP, stating that the service conforms with PSIAS requirements, and disclosure of non-conformance.	A comprehensive set of service targets has been drafted to add to those targets already in use. Once finalised, targets will be built into

Standard	Summary from self-assessment in January 2023	Update as at June 2023
	<p>23 questions self-assessed as 'Conforms'. 3 questions not applicable. 7 questions self-assessed as 'Partial' with actions identified relating to developing and agreeing a comprehensive set of service targets in addition to those used, using performance monitoring against targets to contribute to quality improvement more comprehensively, and ensuring that the results of the QAIP (and particularly internal assessments) and progress against improvement plans are reported to senior management and Audit Committee in accordance with the requirements of the QAIP developed.</p>	<p>formalised monitoring within the service and incorporated into the requirements of the QAIP agreed in January 2023.</p> <p>Required reporting will be implemented in full. The 2022/23 Annual Opinion Report reported to Audit Committee, has been revised and updates will be provided to Executive Management Team and Audit Committee.</p>
<p>Performance Standard 2100 – Nature of Work</p>	<p>29 questions, relating to governance, risk management, and control. 28 questions self-assessed as 'Conforms'. 1 question self-assessed as 'Partial' with actions identified to codify internal audit's activity relating to evaluation of 'the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities'.</p>	<p>Initial work currently nearing completion on 'ethical governance' as part of 2022/23 Internal Audit Plan. Discussed with Monitoring Officer as part of engagement on 2023/24 Internal Audit Plan, with time included to consider and implement this fully.</p>
<p>Performance Standard 2200 – Engagement Planning</p>	<p>51 questions, relating to engagement planning, engagement objectives, engagement scope, engagement resource allocation and engagement work programme. 44 questions self-assessed as 'Conforms'. 4 questions self-assessed as not applicable. 3 questions self-assessed as 'Partial' with actions identified to formalise arrangements within audit assignments to 'evaluate and report on whether management have established adequate criteria to evaluate and determine whether organisational objectives and goals have been accomplished'.</p>	<p>Corporate Performance Management was scheduled to be reviewed during 2022/23, however following actions agreed in response to the Independent Governance Review in June 2022 and the intention to update the Council's Corporate Plan, this work was included within Internal Audit's plan of work for 2023/24. Whilst performance management is considered within</p>

Standard	Summary from self-assessment in January 2023	Update as at June 2023
		individual audit assignments, this aspect of our work and subsequent reporting will be more formalised and explicit as appropriate.
Performance Standard 2400 – Communicating Results	47 questions, relating to criteria for communicating, quality of communications, errors and omissions, use of ‘kite mark’ statements by the service, engagement disclosure of non-conformance, disseminating results, and overall opinion. 41 questions self-assessed as ‘Conforms’. 5 questions not applicable. 1 question self-assessed as ‘Not conforming’, with an action identified relating to including details of progress against improvement plans resulting from the QAIP within the annual overall opinion report.	Implemented.
Performance Standard 2500 – Monitoring Progress	4 questions. 3 questions self-assessed as ‘Conforms’. 1 question self-assessed as ‘Partial’ with actions identified relating to seeking client feedback from consulting engagements. Action has already been taken but is not yet embedded within the service.	Implemented.