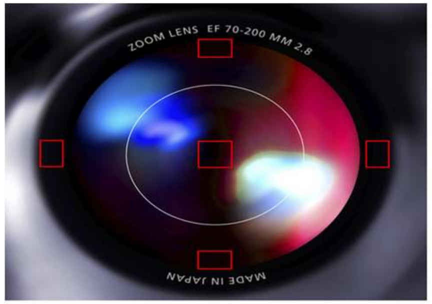
Internal Audit Consortium

Internal Audit – External Quality Assessment

October 2016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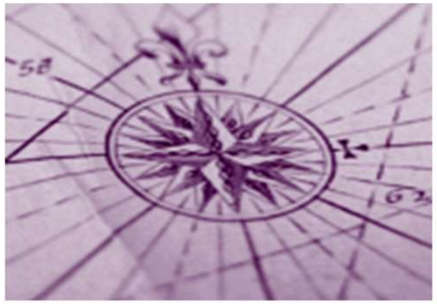

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Purpose of assignment

The Internal Audit service for the Local Authorities of Chesterfield Borough Council (CBC), NE Derbyshire District Council (NEDC) and Bolsover District Council (BDC) is provide by a consortium arrangements which extends to provide an internal audit management support service to Derbyshire Dales District Council (DDDC). Under the leadership of Jenny Williams, Internal Audit Consortium Manager (IACM) the team have responded to the Public Sector Internal Audit Standards and have increasingly worked to a common methodology for delivery of internal audit services. Performance against the standard has been self assessed on an annual basis and appropriate reports provided to member authority committee meetings.

The purpose of this review in to provide an external and independent quality review in accordance with standard 1312. We see this as not merely a compliance exercise and have also highlighted aspects of the service that we regard as best practice as well as summarised our thoughts as to where further development can be made to enhance the value of the service being provided.

The teams have significant experience, with a range of relevant qualifications and it has been recognised that there is a need to ensure a consistent approach to delivering assurance, as this is beneficial regarding communication with clients, working practices, reporting and therefore associated supervision and training needs. At a corporate level this is established through the presence of an Internal Audit Charter and an Internal Audit Manual which effectively define the standards to which the Consortium will carry out its work.

The report reflects our opinion regarding the services currently provided measured against the Public Sector Internal Audit Standards (PSIAS), which we trust will be of benefit to individual staff, the team and the local authorities serviced by the Consortium. Our observations and recommendations have been summarised within categories relating to the Resources, Competency, and Delivery and the team graded as being at one of three stages within each category, grades are related to our opinion as to whether the service is developing, established or excelling.

The outcome has been benchmarked against other provision in both the sector and the wider industry which shows that the team compares favourably in comparison to its peers.

Executive summary

The Consortium has responded to significant restructuring/merger of the team in recent years and through gradually moving towards a common approach that is consistent with the PSIAS.

The significant change within the PSIAS reflects the focus on a requirement to implement a risk based internal audit approach to all aspects of internal audit work – significantly in relation to planning at a strategic and assignment level as well as in reporting. The Consortium does adopt a risk based approach through the development of its own risk assessment at a strategic planning level and at an assignment level through testing schedules which the team feel reflect the key risks to which each authority and each system are exposed.

Nevertheless, all four authorities with which the Consortium is involved have developed risk management strategies and associated frameworks; two of which in accordance with best practice clearly define impact measures for risk and risk appetite.

Whilst those at NEDDC and BDC contain definitions it is felt that greater clarity could be included (for example – values of financial risk) with refinement of what represents a “high priority” (a red graded risk) to reflect risk appetite and what may represent a catastrophic or major risk to each Council.

As a consequence, it would be beneficial for internal audit to increasingly align its processes with those of the host authority as this would promote effective communication, structure audit work on ‘what really matters’ and use risk as the basis for reporting. In this respect we have recommended that future opinions and recommendations relate directly to established risk definitions within each authority, with the current priority rating being used solely in terms of when recommendations are agreed to be acted upon.

As a result of the current processes, whilst risks in relation to reputational risk and sensitivity are considered, materiality tends to be the focus for assignments and reporting, with work having a tendency to focus on financial control issues rather than be fully risk based and directly aligned with the Council’s view of risk. This may lead to a failure to address the most significant issues that are being faced and/or addressed by the Council, where an accepted likelihood score assumes that effective controls are in place without gaining appropriate assurance. We do in this respect, recognise that resource reduction is a critical issue for local government services, however by focusing on risk this may change the emphasis of an assignment from one of financial controls to attainment of best value?

Increasing transparency within the Council risk management systems regarding the inherent risks being faced and upon those assurances available would allow internal audit to clearly define risks and key mitigating controls and therefore provide a robust basis for communication with managers and with other assurance providers, although different perceptions of risk appetite exist within the Councils involved.

Executive summary (cont)

Such development would further enable the IACM to develop assurance based opinions at an assignment and annual reporting level through consideration of the wider assurances available to each Council.

The Consortium has benefitted from a period of stability during which staff have remained consistent, and therefore a robust internal audit standard has been maintained and delivered using an experienced team. This has allowed the Consortium to demonstrate compliance with the PSIAS.

Nevertheless with increasing pressures on Council budgets, significant change to service delivery and as a result increasing risk; there is a need for the Consortium to enhance its delivery through greater awareness of the relevance of risk to both the Council and its own approach, in order to ensure that it focuses on the most appropriate areas and as a result demonstrates that it provides a service that effectively contributes towards the achievement of each Council's objectives.

Basis for EQA

Compliance with 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
Enhance	The internal audit Consortium must enhance its practice in order to demonstrate transparent alignment with the relevant PSIAS in order to demonstrate a contribution to the achievement of the organisations objectives in relation to risk management, governance and control.
Review	The Internal audit Consortium should review its approach in this area to better reflect the application of the PSIAS.
Consider	The internal audit Consortium 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 within the Council 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.

Summary of good practice identified within EQA

Standard	Good practice identified	Observation
1000	An Internal Audit Charter has been established and agreed with each Authority	The Charter is comprehensive and establishes an appropriate framework against which internal audit services can be delivered.
1100	The Consortium team members submit an annual declaration of interests which is reviewed by the IACM	Demonstrates a commitment to the delivery of an independent and objective service
1312	The Consortium has conducted annual self assessment exercises resulting in an annual development plan which is agreed by the host authorities.	Demonstrates a process and commitment to continuous improvement.
2020	Active engagement at officer and member level	Represents the establishment of a good understanding of key issues through interaction
2030	The NEDIAC routinely assesses its training needs and discusses requirements with the Consortium Joint Board	This represents a firm basis for the consideration of training and recruitment needs
2040	A detailed internal audit manual is in place	Provides for a consistent methodology
2060	Reports are produced using a standard template which is consistently applied. Customer feedback is routinely obtained following conduct of an audit.	Demonstration of a consistent approach for communication which is well received by management and the Audit Committee
2300	Audits are performed using an approach which is consistently applied	This supports a view that the internal audit team understand the standard processes and are trained in its use
2400	Reports are clear and express opinions in a manner that is understood by stakeholders. Reports containing more significant recommendations are presented to operational management meetings where felt appropriate	Reports are produced on a timely basis, with summaries being produced for Audit Committee attention

Resources

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

	Issue identified	Recommended action
1	**Supervision** Supervision of an internal audit assignment is not always evidenced within internal audit files. A formal file review document is completed by a supervisor following exit meetings or production of a draft report, with supervision during an audit being conducted through discussion and monthly 121 meetings.	The nominated supervisor should ensure and evidence that active supervision is maintained and documented throughout the assignment process through recording involvement and instructions on the review form. A suggested format for diarising supervision which is used within peer providers is attached as Appendix 1. File review forms should be introduced at DDDC as part of a standard approach. ●

Competency

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

	Issue identified	Recommended action
1	**Governance and standards** The Internal Audit Manual is a comprehensive document which refers to the PSIAS but does not sufficiently reference the processes that audit staff should follow in conducting assignments to the various standards. We feel that this would help to elevate the understanding and status of internal audit if the key standards within the PSIAS were fully documented within the document.	The Internal Audit Manual could be beneficially improved by referring directly to those PSIAS standards that **must** be followed and providing detailed advice regarding expectations, particularly in respect of each area. ●
2	**Internal Audit Planning** Whilst planning is based upon a risk model as required by the PSIAS, the process largely depends on an assessment devised by internal audit; this shows a financial bias and the use of different definitions of risk impact to those approved within the Council risk management strategy; rather than reflecting the wider and accepted risk issues being recognised by the Council. There should be a direct and identified link between the internal audit plan content discussed with Audit Committees which aligns with the Councils risk management systems; beneficially reflecting both identified controls and assurances available. The risk based reasoning for inclusion of the assignment in the audit plan should be evident (why is there a need for independent assurance?), and in turn this should drive the preparation of the terms of reference for each assignment as recorded within the Audit Brief.	a. Audit Plans should be constructed to achieve the objectives of the department as set out in the Internal Audit Charter and the audit planning process designed to reflect the same through transparent alignment with the Council wide approach to risk management. ● b. The internal audit planning process should further identify other sources of assurance that are available and upon which Councils can place reliance. ● c. The starting point for the development of the Audit Brief should be a preliminary discussion with management regarding the inherent and residual risks relevant to the audit area under review. It may aid assignment planning if the management objectives for the area under review were also identified. This should result in the formation of a direct link with the Authority's risk register and the key mitigating controls highlighted, thereby aiding the understanding and ability of members of the Audit Committee to contribute to the assurance agenda. ●

Competency continued

	Issue identified	Recommended action
3	**Training** The department has an experienced team of internal audit staff whose training needs are assessed through regular 121 meetings and appraisal and development meetings. Most staff have a relevant qualification, although only the IACM and one other member of staff have a recognised CCAB or IIA certification. The team attend routine meetings of various groups locally and regionally and use is made of dedicated cost effective training that is available. The IACM ensures that available budgets are used to best effect. Whilst the IA team have identified technology related issues given the nature of cyber risk it is felt that this is a weakness that should be addressed.	a) Consideration should be given to those areas within the training matrix which reflect greatest need for routine mandatory training of a professional or technical nature. These may relate to areas such as Data Protection or Health and Safety, where it is important for all staff to have a firm understanding or specific training relating to internal audit such as risk based internal audit or reporting. 🟡 b) There is a need for the Consortium to be able to provide assurance relating to IT risks given the increasing complexity of technology and associated controls. It is therefore essential that appropriate professional training is supported for a member of the team or that the service is acquired externally in order to deliver on the assurance needs of the consortium members. 🔴

Competency continued

<table>
<tr><th></th><th>Issue identified</th><th>Recommended action</th></tr>
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Control evaluation

The Consortium uses the following gradings for the assessment of controls included within the testing schedule.

<table>
<tr><th>Control Level</th><th>Definition</th></tr>
<tr><td>Good</td><td>A few minor recommendations (if any).</td></tr>
<tr><td>Satisfactory</td><td>Minimal risk; a few areas identified where changes would be beneficial.</td></tr>
<tr><td>Marginal</td><td>A number of areas have been identified for improvement.</td></tr>
<tr><td>Unsatisfactory</td><td>Unacceptable risks identified, changes should be made.</td></tr>
<tr><td>Unsound</td><td>Major risks identified; fundamental improvements are required.</td></tr>
</table>

Our view would be that this represents an overly complex structure for expression of an opinion on the control environment and the nature of the issue identified against which a recommendation will be made.

Standard practice is for each control to be assessed in terms of its adequacy and effectiveness, with the subsequent recommendation being graded as risk based (see Delivery 3b/c)
</td>
<td>
The Consortium should consider the merits of moving to expression of the control in environment in the form of:-
a) The appropriateness of the control environment having regard to the significance of the risks involved – adequate/inadequate, and
b) Whether the control is being consistently applied – effective/ineffective

🟢
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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

	Issue identified	Recommended action
1.	**Focus on pre-identified controls** Assignments are dominated by previously identified controls emanating from the CIPFA control matrices which are then tested to specified testing levels rather than provide focus on significant risk and associated key controls identified and evaluated as part of the documentation process. Benefits would be achieved through increased focus on agreed 'local' key controls relating to business critical risks and then tested according to the materiality of their contribution to the Council's risk management framework. Whilst the current testing is robust, documented and well evidenced it may not provide assurance relating to the most significant risks to which the service is exposed.	Internal audit working papers should focus on major risks to the Council that have been identified and discussed with the auditee. Assignment briefs should therefore reflect assessment of risks as defined within the Councils risk impact definitions and then consider the controls that are required to mitigate that risk within the risk appetite of the Council. An example risk based Assignment Brief is included as Appendix 2. 🟡
2	**Methodology and use of walk-through tests** For core financial systems, systems documentation exists and is we understand supported by flowcharts, in accordance with para 8.1.1 of the Internal Audit Manual. For other audits whilst it is accepted the system notes exist mostly in the form of notes within the evidence collected, files do not contain an outline of the system as specified in the internal audit manual as stage 4 of the above and there is therefore a reliance on previously constructed testing schedules to define the scope of the audit. As the risk environment, service provision, staff in post and therefore systems change it is considered important that each audit commences with providing a documented oversight of the component parts of the system in which key controls that are to be relied upon for the purposes of providing an opinion are documented and tested using a walk through test.	a. Auditors should complete at least a system note at the start of each audit in order to outline an overview of the processes being reviewed in order to aid understanding and the structure of the audit and provide an understanding of the system to aid supervision and the efficient conduct of future audits. 🟡 b. The internal audit manual should specify the minimum standards requirements for file structure and content for electronic files in order to aid supervision. These may be planning and communication, systems documentation and identified procedures, fieldwork (control summaries supported by testing and evidence) and reporting. (Refers to section 9.3.3 of the internal audit manual) 🟢

Delivery continued

	Issue identified	Recommended action
3	**Audit Opinions - *Recommendations*** These are currently developed and assessed by each internal auditor, and reviewed by the Audit Manager prior to release of the draft report (sometimes subsequent to discussion of findings at an 'exit meeting' at which the grading of recommendations may have been discussed). This system relies on personal judgement related to 'Priority' for which no definition exists to articulate the meaning of High, Medium or Low. The definitions used by internal audit to support opinions therefore lack clarity and should be more closely linked with each Authority's risk appetite and the definitions of impact risk being used to embed risk management thinking within the organisation. The basis for grading of recommendations should as a result influence the overall opinion for each audit directly, for example if a risk falling into a definition of the highest category is identified (potential for death, loss greater than £500k) then the assurance level given is reduced. Any risk of this nature should automatically trigger a negative audit opinion of 'limited assurance'.	a) Audit supervisors should formally evidence agreement of the grading of recommendations through supervision prior to the conduct of exit meetings. 🟡 b) Risk definitions used by internal audit should be developed to reflect the risk appetite within each organisation, and the definitions of impact and likelihood used by the Council. These should be used by each internal auditor to grade the recommendation and discuss the level of risk to which the organisation is exposed with each auditee at the exit meeting. 🟡 c) Consideration should be given to removing the need to include 'low' rated recommendations in formal audit reports; alternatively reflecting on these in a side letter to the manager. This would aid the profile of internal audit through concentrating on things that really matter in relation to significant risk as defined within risk management policies. 🟢

Delivery continued

	Issue identified	Recommended action
4	***Audit Opinions - Overall opinions*** These are currently based upon the personal judgement of each auditor, within the definitions specified as relating and subject to review by the supervisor and IACM of the draft report prior to release. The overall opinion also appears to be loosely based on the aggregate number of recommendations made and not the level of risk identified. The current is for the opinion to reflect the reliability of the internal controls operating in the system / area reviewed was assessed as good* / satisfactory* / marginal* / unsatisfactory* / unsound*. Wider best practice provides for three levels of opinion being substantial, adequate or limited as this provides a clearer indication to stakeholders of the level of assurance that can be gained. This opinion can then be aligned directly with the nature of the risks being identified and the grading of those recommendations being made.	a) The grading of recommendations should be based upon the level of risk exposure identified within the review and reflect the highest ranked recommendation being reported upon. Best practice would reflect: - Where a fundamental risk (red) is identified that no/limited assurance is given. - Where significant risks (amber) are identified then adequate assurance is given, and - Where 'merits attention' (green) risks are identified these are not referred to in the report and substantial assurance is given. 🟡 b) Reducing the levels of opinion to three would provide a clearer indication of the assurance being provided and represent a more straight-forward approach for internal audit staff to administer. 🟢

Delivery continued

	Issue identified	Recommended action
5	**Report format** The Consortium currently provides a detailed report which is then summarised appropriately to inform other meetings within the Council at Officer and Member levels. It would not be appropriate to comment negatively on this approach particularly as positive feedback regarding internal audit performance can be seen in the return of satisfaction surveys during 2016/17 and was gained in meetings with officers as part of the EQA. However, internal audit reports are 'lengthy' and in developing an increasingly risk based approach consideration could be given to moving to an exceptions based executive summary highlighting significant risks.	The Consortium should consider whether focusing on risk as a basis for reporting would allow movement towards an 'executive summary' approach which highlights only significant risks. This may help further build the profile of internal audit and allow greater efficiency within the team through reducing the time consumed in report production and clearance. 🟢
6	**Auditee feedback** At the time of the review feedback questionnaires had been received in respect of 24 audits undertaken during 2016/17, all received scores in excess of 80% with the only areas showing as requiring improvement relating to:- - Were recommendations practical and useful, and - Sufficient to remedy weaknesses identified in the report	The IACM should continue to monitor feedback as it moves towards an increasingly risk focused so that as changes are made to internal audit practices; these can be aligned with improvements in the way internal audit value is perceived. 🟢

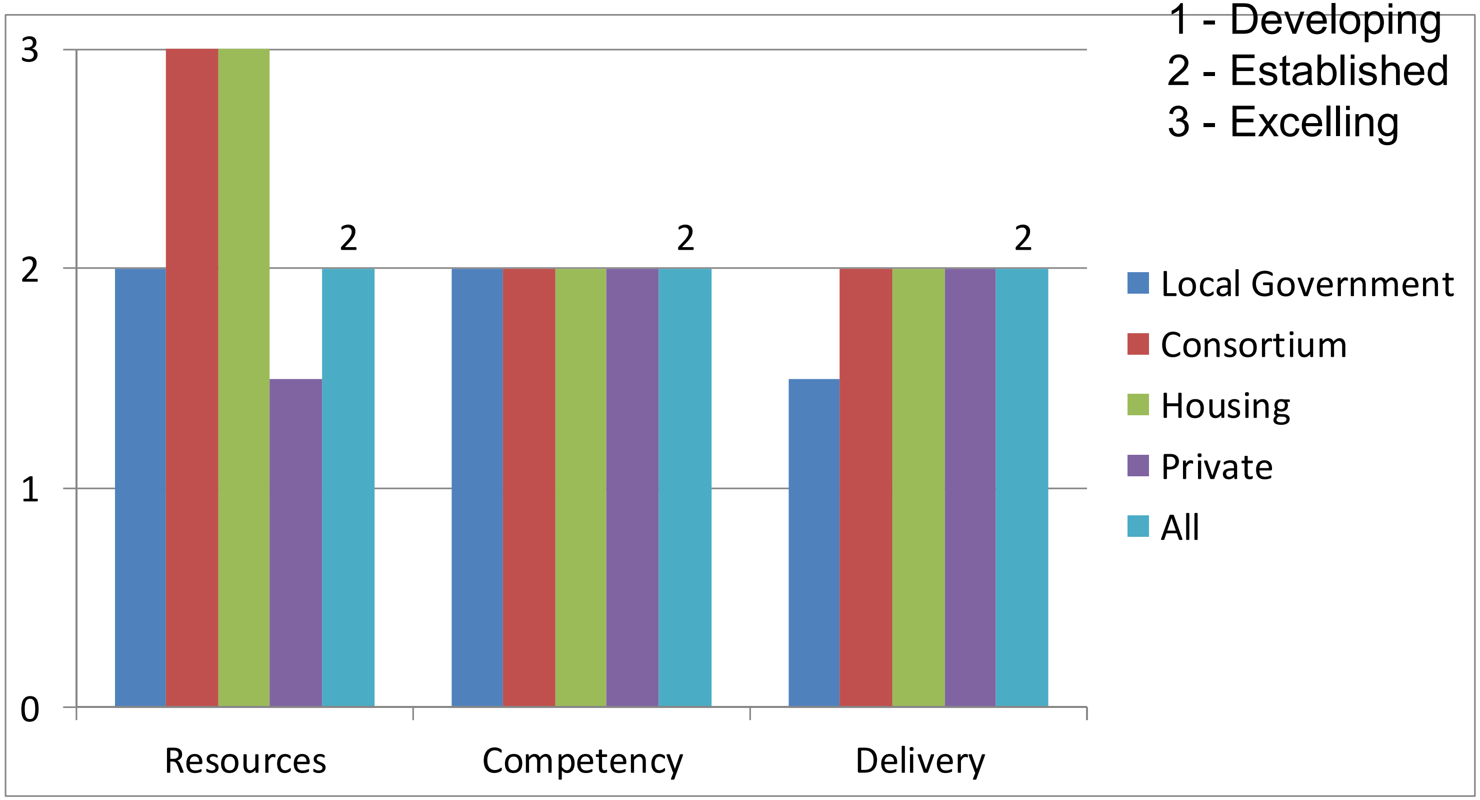
Delivery continued

	Issue identified	Recommended action
7	**Annual Report** The IACM produces an Annual Audit report which summarises the years work and includes analysis of performance. The opinion reflects ‘*In respect of the main financial systems, Appendix 1 shows that internal controls were found to be operating satisfactorily or well, giving an overall confidence in the internal control system operating in relation to these systems’* . The form required by the PSIAS requires a wider statement based upon the fullness of the assurances and knowledge available to the IACM which ‘*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’.*	In alignment with recommendations made earlier the internal audit plan should be constructed so that the IACM is able to provide a wider assurance to each Authority in support of the governance statement. Best practice is that the Annual Report should also contain reference to all significant risks and therefore co-ordination with and an understanding of issues being raised by the range of assurances available is essential in order to meet this broader scope. In this way the Annual Report can be used to support the Councils Governance Statement. 🔴
8	**Reports produced by the IACM** It is considered good practice that the IACM is involved in conducting assignments particularly in relation to high risk areas but in such circumstances appropriate arrangements should be made for ‘supervision’ and clearance of reports.	In circumstances where the IACM undertakes a review personally arrangements should be made for a second person review of the file. 🟢
9	**Derbyshire Dales DC** Whilst it is recognised that arrangements for this Council are outside of the core Consortium arrangements. It would be beneficial for the established internal audit processes contained within the Internal Audit Manual to be applied as this will aid consistency of approach, training and supervision.	Standardised procedures should be implemented regarding: - The use of Audit Briefs, - Working paper review, and - The approach to IT audit 🟡

Overall assessment

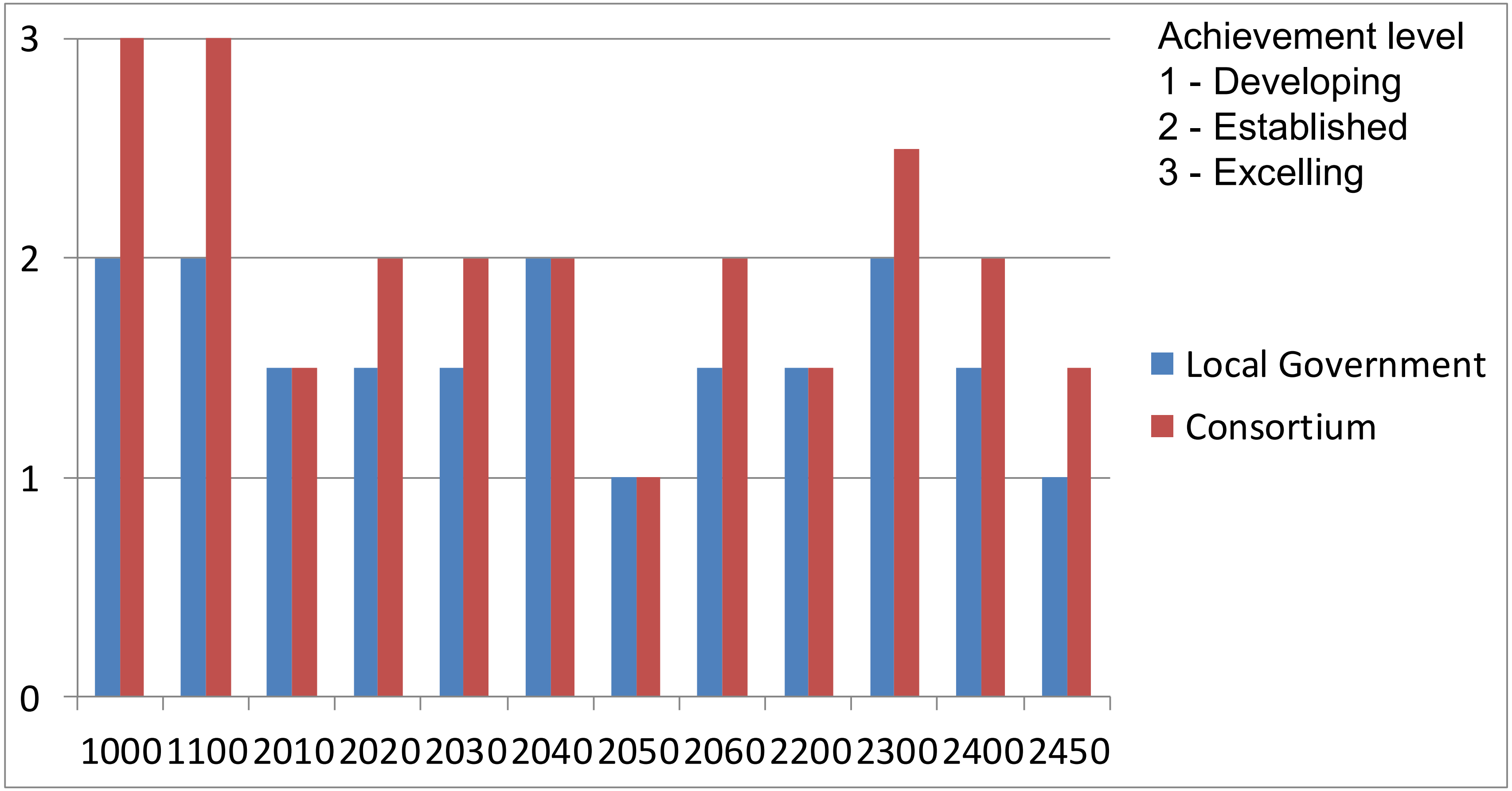
1	**RESOURCES**	🟩	**Excelling** – Processes in this area are fully embedded within every day practices and reflect best practice that is at least consistent with PSIAS expectations.
2	**COMPETENCY**	🟨	**Established** – Processes in this area are embedded within every day practices, the EQA has identified a number of areas in which further development is desirable.
3	**DELIVERY**	🟨	**Established** – Processes in this area are embedded within every day practices, the EQA has identified a number of areas in which further development is desirable.

Benchmarking
Sector analysis



Achievement level
1 - Developing
2 - Established
3 - Excelling

Benchmarking
Industry analysis



Key PSIAS Standards assessed

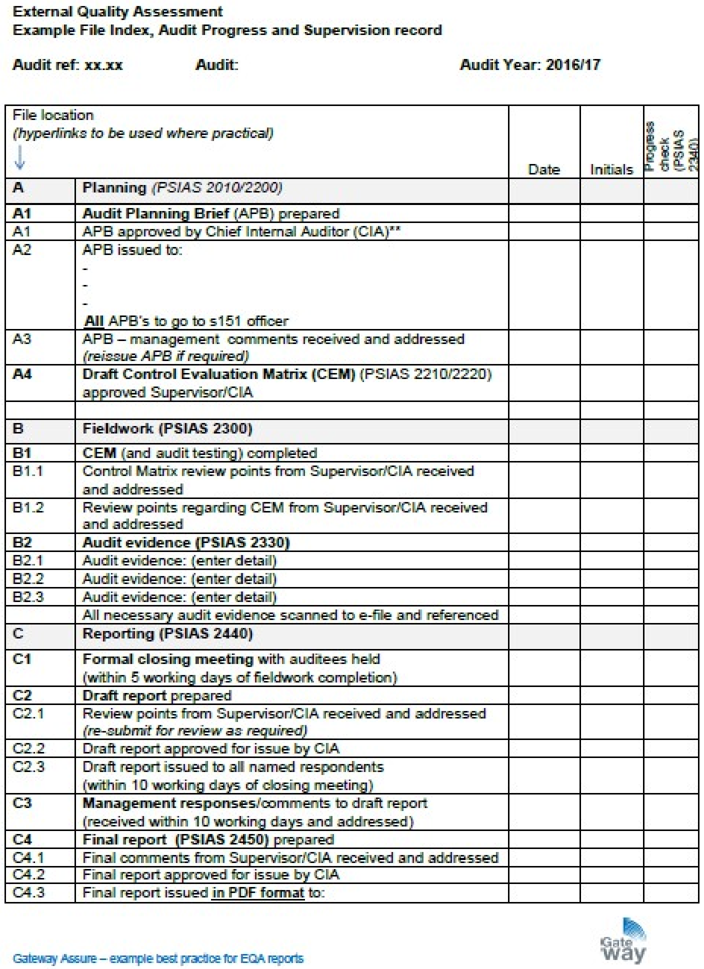
(for benchmarking purposes)

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 *Standards*. 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.

Conclusion

- The internal audit provision within the Councils of Chesterfield Borough Council, NE Derbyshire District Council, Bolsover District Council and Derbyshire Dales District Council (DDDC). complies with the expectations of the Public Sector Internal Audit Standards.
- There are a number of areas in which the service can be further improved in relation to the use of risk based auditing which will provide increased levels of assurance to the Councils and assist in improving its profile and the subsequent feedback that is received from clients:
  - the service should move to an approach that reflects full recognition of the risk factors recognised by the Councils both at a strategic planning level and when conducting assignments.
  - the use of opinions should be reviewed to better reflect the risk appetite of the Council and not be linked to a timescale (current priority rating); the emphasis should reflect identification and escalation of recommendations graded as significant that match risk definitions graded as ‘red’ or ‘amber’ within the various risk management systems.
  - the IACM should consider the need for a member of the team to gain a relevant IT audit qualification.
  - the further development of risk management systems to reflect a Board (Controls) Assurance Framework within each Council would enable greater recognition of key mitigating controls and the other sources of assurance with which internal audit effort should be co-ordinated in order to support the Governance Statements process.

Appendix 1
Example File Index, Audit Progress and Supervision Record

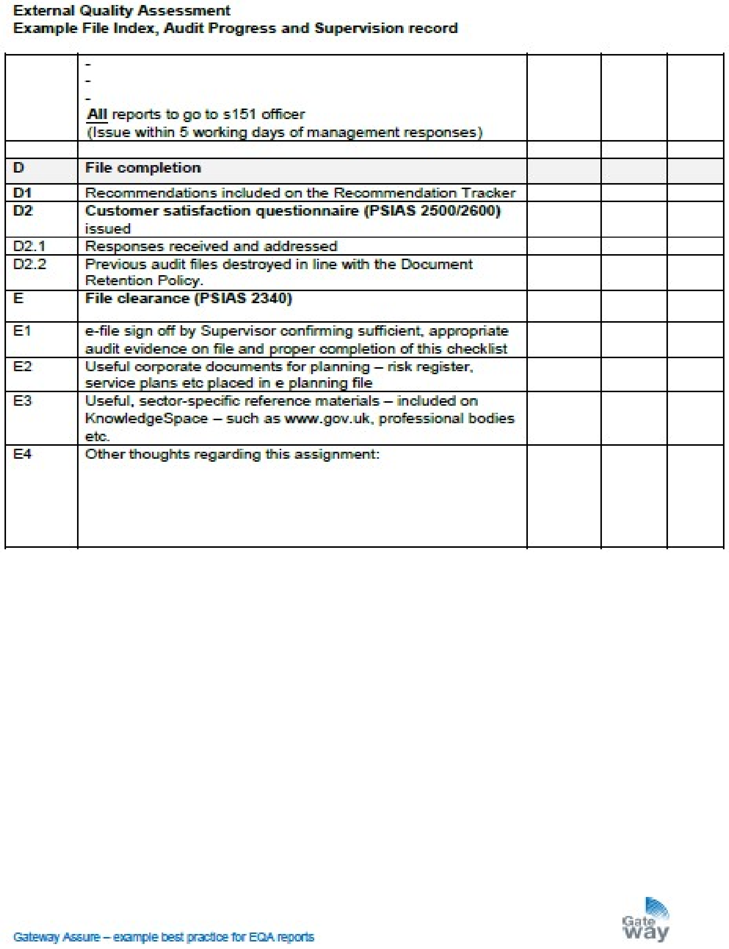


External Quality Assessment
Example File Index, Audit Progress and Supervision record

Audit ref: xx.xx **Audit:** **Audit Year: 2016/17**

File location *(hyperlinks to be used where practical)* ↓		Date	Initials	Progress check (PSIAS 2340)
A	**Planning** *(PSIAS 2010/2200)*			
A1	**Audit Planning Brief** (APB) prepared			
A1	APB approved by Chief Internal Auditor (CIA)**			
A2	APB issued to: - - - **All** APB's to go to s151 officer			
A3	APB – management comments received and addressed *(reissue APB if required)*			
A4	**Draft Control Evaluation Matrix (CEM)** (PSIAS 2210/2220) approved Supervisor/CIA			
B	**Fieldwork (PSIAS 2300)**			
B1	**CEM** (and audit testing) completed			
B1.1	Control Matrix review points from Supervisor/CIA received and addressed			
B1.2	Review points regarding CEM from Supervisor/CIA received and addressed			
B2	**Audit evidence (PSIAS 2330)**			
B2.1	Audit evidence: (enter detail)			
B2.2	Audit evidence: (enter detail)			
B2.3	Audit evidence: (enter detail)			
	All necessary audit evidence scanned to e-file and referenced			
C	**Reporting (PSIAS 2440)**			
C1	**Formal closing meeting** with auditees held (within 5 working days of fieldwork completion)			
C2	**Draft report** prepared			
C2.1	Review points from Supervisor/CIA received and addressed *(re-submit for review as required)*			
C2.2	Draft report approved for issue by CIA			
C2.3	Draft report issued to all named respondents (within 10 working days of closing meeting)			
C3	**Management responses**/comments to draft report (received within 10 working days and addressed)			
C4	**Final report (PSIAS 2450)** prepared			
C4.1	Final comments from Supervisor/CIA received and addressed			
C4.2	Final report approved for issue by CIA			
C4.3	Final report issued in PDF format to:			

Gateway Assure – example best practice for EQA reports



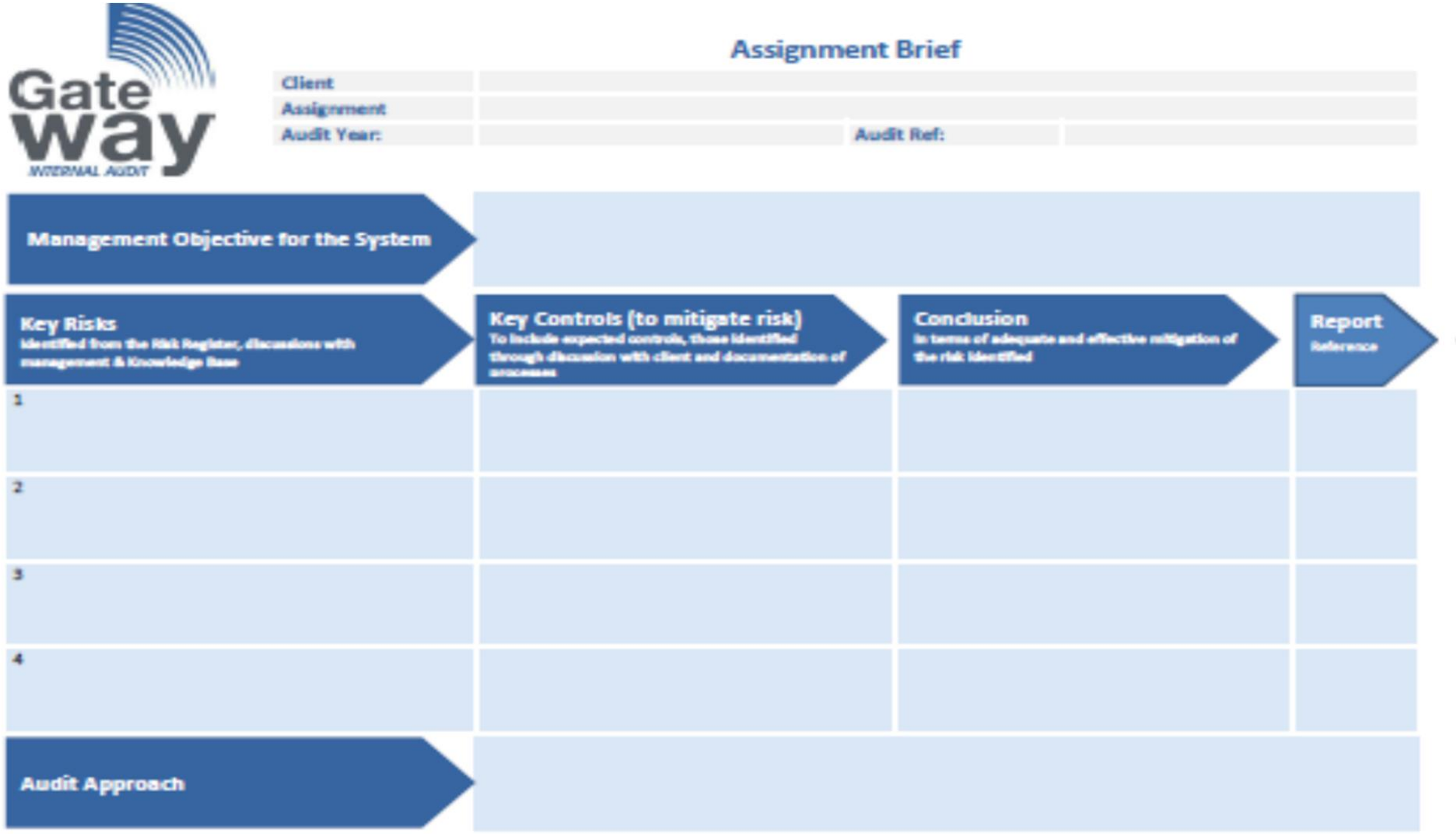
External Quality Assessment
Example File Index, Audit Progress and Supervision record

	- - - **All** reports to go to s151 officer (Issue within 5 working days of management responses)			
D	**File completion**			
D1	Recommendations included on the Recommendation Tracker			
D2	**Customer satisfaction questionnaire (PSIAS 2500/2600)** issued			
D2.1	Responses received and addressed			
D2.2	Previous audit files destroyed in line with the Document Retention Policy.			
E	**File clearance (PSIAS 2340)**			
E1	e-file sign off by Supervisor confirming sufficient, appropriate audit evidence on file and proper completion of this checklist			
E2	Useful corporate documents for planning – risk register, service plans etc placed in e planning file			
E3	Useful, sector-specific reference materials – included on KnowledgeSpace – such as www.gov.uk, professional bodies etc.			
E4	Other thoughts regarding this assignment:			

Gateway Assure – example best practice for EQA reports

Appendix 2

Example Audit Brief and Control Summary



Assignment Brief

Client			
Assignment			
Audit Year:		Audit Ref:	

Management Objective for the System	

Key Risks Identified from the Risk Register, discussions with management & Knowledge Base	**Key Controls (to mitigate risk)** To include expected controls, those identified through discussion with client and documentation of processes	**Conclusion** In terms of adequate and effective mitigation of the risk identified	**Report** Reference
1			
2			
3			
4			

Audit Approach	