

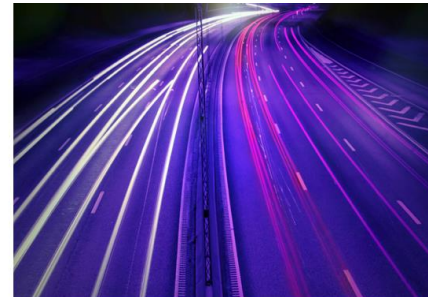
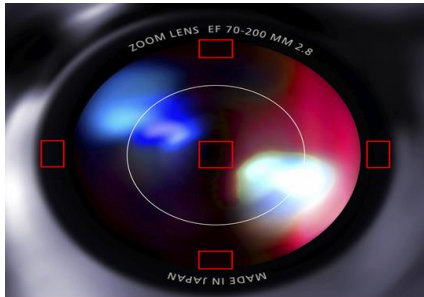


Internal Audit Consortium and Derbyshire Dales District Council

External Quality Assessment

Internal Audit Services

Executive report – June 2021



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External Quality Assessment

Internal Audit Consortium and Derbyshire Dales District Council

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Opinion

Overall assessment: The Internal Audit Consortium and Derbyshire Dales District Council are delivering internal audit services to a standard that **generally conforms** with the Public Sector Internal Audit Standards.

Key matters arising from the review:

- The service would benefit by further integration of the use of risk-based internal audit techniques with the risk appetite of its clients regarding planning and the scoping of engagements,
- Developing a clear alignment through working papers for each assignment to focus on the achievement of agreed Management (Business) objectives through consideration of agreed significant risks and relevant key controls. This would likely enhance efficiency of the methodology as well as the benefit of and value gained from audit reports.
- Consideration should be given to the revision of the basis for expressing internal audit recommendations and opinions in line with risk impact definitions recognised by each client in Risk Management Policies.
- The Head of Internal Audit Annual Report should be enhanced through further development of the inclusion of a summary of the significant residual risks being faced and those other assurances both internal and external available to the Head of Internal Audit in reaching an annual opinion.

Good Practice identified during the review

- The team demonstrates effective communication with Officers and members at all clients,
- Appropriate attention is given to gaining feedback and demonstration of the quality of services through review of performance which is routinely presented to Audit Committees,
- The Internal Audit team has a strong commitment to training,
- The team has constructed an analysis of Assurances available at each of its clients
- A Fraud Risk Assessment has been completed and is integrated with the internal audit methodology
- Audit planning is supported by appropriately detailed notes of discussions with management.

Executive summary

The Internal Audit Consortium has developed a standard approach to the delivery of services to three local authorities of Chesterfield, Bolsover and NE Derbyshire and in addition to this core service, provides management of the internal audit service at Derbyshire Dales District Council and an outsourced service to Rykneld Homes; this has enabled the team to develop an appropriate depth and breadth of skills to successfully meet the needs of clients.

Services are provided by a dedicated team of in-house staff, which is headed by Jenny Williams as Internal Audit Consortium Manager, who assumes the role of Chief Audit Executive (HoIA) for the purposes of this review and regarding all internal audit appointments.

In 2020/21 services have been impacted by the effects of the pandemic which has led to 'remote auditing' being required; this appears not to have adversely impacted on the methodology but has been reflected in the availability of client staff to engage whilst dealing with other front-line priorities. A number of vacancies have also been experienced during the year.

The service has continued to respond to the changes of focus in professional standards by developing an increasingly risk based approach with regard to planning and the completion of assignment work; the Internal Audit Manual has been updated to reflect this in May 2020.

From an internal audit perspective, considerable further advantage may be gained through increasing recognition of management objectives and inherent risk, as this will enable internal audit plans and assignments to focus on the value of 'Control Risk' and therefore attention on significant key controls and the assurances that have been identified as available. This represents recognition of those key controls which management feel reduce risk to an acceptable level (risk appetite) and aligns with other current initiatives within internal audit.

Nevertheless, with a constantly changing risk environment, particularly as the service responds to the changing needs of clients post COVID-19; there is a need and opportunity for the internal audit service to continue to enhance its delivery through acting as a catalyst to ensure that robust risk management systems are operational, thereby increasing its awareness of the assessment of risk at each client and as a consequence informing its own approach.

Current services are assessed to '**generally conform**' with the PSIAS and compare favourably with peers, there are no areas where the service does not comply with the standards. A series of specific recommendations are made in the report that follows to reflect building on the existing considerable strengths in relation to resources, competency and delivery in order to enhance future service delivery.

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 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 | DELIVERY | | Established – 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. |

Summary of good practice identified within EQA

| PSIAS | Good practice identified | Observation |
|-------|---|--|
| 1000 | An Internal Audit Charter has been established and agreed with client Audit Committees (AC). | The combination of the Charter 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 team wide process is in place regarding the identification and management of potential conflicts and/or declarations of interest. |
| 1311 | The service has conducted internal assessment exercises of its performance. | Performance review is embedded within procedures and supported by a staff Performance and Development Reviews process which identifies and supports performance development needs. |
| 2020 | Active engagement at Board and management level | Represents the establishment of a good understanding of issues through interaction with Executive Management and Members. |
| 2030 | The need for appropriate internal audit resources is recognised within internal audit planning processes. | This represents a firm basis for the consideration of the successful delivery of the internal audit plan and the use of support from other parties, if required. |
| 2040 | A detailed Internal Audit Manual is in place which aligns with the PSIAS. | Provides the basis for a consistent approach to delivery of internal audit services delivered through a series of templates. |
| 2060 | Reports are produced using a standard template which is consistently applied. Customer feedback is routinely obtained at the conclusion of each engagement and at year end. | Demonstration of a consistent approach for communication which is generally well received by management and the AC's – effective follow-up ensures issues are not lost. |
| 2120 | Evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk | Fraud Risk registers have been established at each client and integrated with the internal audit methodology. |
| 2400 | Reports are clear and express opinions in a manner that is understood by stakeholders. | Reports are produced on a timely basis, with comprehensive detail of internal audit activity being produced for AC attention including performance information. |
| 2500 | Establish and maintain a system to monitor the disposition of results communicated to management. | A formal process for follow-up and reporting on actions taken regarding recommendations has been established. |

Part one

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

**BUSINESS
RISK
SOLUTIONS**

Compliance with the Public Sector Internal Audit Standards (PSIAS)

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>Internal Audit Charter</p> <p>Whilst the Charter requires that the HoIA's Annual Opinion is correctly expressed in relation to Risk Management, Governance and Internal Control – there are references in the Charter and other documentation which simply relate to 'internal control' or the 'control environment'.</p> | <p>When the Internal Audit Charter and other documentation is next revised update the requirement for the HoIA to provide an Annual Opinion in the consistent form of Risk Management, Governance and Internal Control.</p> <p style="text-align: right;">PSIAS 1010</p> | |
| 2 | <p>2020/21 engagement completion</p> <p>Current year provision has been impacted by Covid and the team holding a number of vacancies.</p> <p>At the time of the review, internal audit plan outcomes for 2020/21 were not available other than in the case of Derbyshire Dales DC, where reference has been made to the internal auditor being required to undertake other duties in relation to COVID-19 business grants processes, queries and government returns. ,</p> | <p>Where these events impact upon completion of the internal audit plan and therefore the content of the Head of Internal Audit Annual opinion, a reflection on the advice provided by CIPFA could be beneficially referred to explain the context and advice provided by the professional body.</p> <p style="text-align: right;">PSIAS 2450</p> | |

| | Issue identified | Recommended action | |
|---|---|--|--|
| 1 | <p>Audit Planning</p> <p>The HoIA maintains a spreadsheet-based approach to the conduct of an audit needs assessment which supports the development of the annual plan.</p> <p>This recognises the teams' judgement of factors relating to Materiality, Control Environment, Sensitivity, Management Concern and time since last audit. None of these factors relates directly to the organisations risk appetite as expressed in each clients' risk management system.</p> | <p>Whilst it is recognised that client risk registers contain varying levels of detail regarding controls and assurances and certainly may not be comprehensive in terms of covering all risks. Conformance with the PSIAS would be enhanced by formally recognising the risk appetite of each client in internal audit planning, particularly where the concept of 'Control Risk' (the assessed difference between Inherent and Residual risk) is identified.</p> <p style="text-align: right;">PSIAS 2010</p> | |
| 2 | <p>Management Objectives</p> <p>The Internal Audit service currently specifies the Audit Objective as part of the Scoping Document for engagements although there is inconsistency. PSIAS 2201 provides advice regarding planning considerations for engagements and states that: "In planning the engagement, internal auditors must consider - The objectives of the activity being reviewed and the means by which the activity controls its performance and the significant risks to the activity, its objectives, resources and operations and the means by which the potential impact of risk is kept to an acceptable level".</p> | <p>The Internal Audit Service should consider focusing each audit on agreed Management Objectives for the area for review as this would help structure the engagement on significant risks and align the review with the associated controls that are designed to mitigate this risk.</p> <p>In this respect, this may allow greater focus to be provided on 'what matters most' and attention being given to selected controls testing currently contained within established 'controls check-lists'.</p> <p style="text-align: right;">PSIAS 2200/1</p> | |

Competency continued

| Issue identified | Recommended action | | | | | | | | | | | | |
|--|--|----------------|------------|------------|------|---------------------|----------------|--------|----------|----------|-----|-------|---------------|
| <p>3 Grading of recommendations Issues on which the audit opinion is based currently reflect High, Medium or Low ratings for which internal audit has defined what it considers as events which merit concern at these levels. The definitions are not currently contained within the internal audit manual or are included in internal audit reports to support gradings.</p> <p>This is inconsistent with terminology used by each Council in their Risk Management Policies where definitions of impact are contained to varying levels of detail.</p> <p>The PSIAS uses consistent terminology relating to the identification and reporting on 'significant' risk. And it may therefore be beneficial for internal audit to align its understanding of significance with that of each client.</p> | <p>a) It would be beneficial to align future grading of recommendations with those impact definitions used within the risk management process relating to each clients' risk appetite.</p> <p>Existing clients appear to use either a 4x4 or 5x5 risk matrix and therefore inclusion within internal audit reports as to how consistent alignment is achieved would assist in both agreeing the specific risk focus of each engagement as well in assessing the relative importance of findings at the exit meeting and in determining an opinion within assurance reports through use of a consistent understanding and application of risk.</p> <p>A simple matrix may be:</p> <table border="1" data-bbox="1085 879 1754 1102"> <thead> <tr> <th>IA grade</th> <th>4x4 matrix</th> <th>5x5 matrix</th> </tr> </thead> <tbody> <tr> <td>High</td> <td>Catastrophic/Severe</td> <td>Critical/Major</td> </tr> <tr> <td>Medium</td> <td>Moderate</td> <td>Moderate</td> </tr> <tr> <td>Low</td> <td>Minor</td> <td>Unlikely/Rare</td> </tr> </tbody> </table> <p>b) Include appropriate explanation of alignment of gradings within the internal audit manual and provide appropriate training to staff regarding how this should be implemented.</p> <p style="text-align: right;">PSIAS 2120/2201</p> | IA grade | 4x4 matrix | 5x5 matrix | High | Catastrophic/Severe | Critical/Major | Medium | Moderate | Moderate | Low | Minor | Unlikely/Rare |
| IA grade | 4x4 matrix | 5x5 matrix | | | | | | | | | | | |
| High | Catastrophic/Severe | Critical/Major | | | | | | | | | | | |
| Medium | Moderate | Moderate | | | | | | | | | | | |
| Low | Minor | Unlikely/Rare | | | | | | | | | | | |

Competency continued

| | Issue identified | Recommended action |
|---|---|---|
| 4 | <p>Quality Assurance Improvement Programme (QAIP) The HoIA currently undertakes an annual self-assessment process and reports a summary of matters arising to Audit Committees in the Annual Report.</p> <p>The current process considers matters such as issues arising from PDR's, client surveys, ideas from team members and training requirements in addition to matters arising from external quality assessments.</p> <p>At present, each element is maintained separately.</p> | <p>It would be beneficial to consider drawing together the various elements of review in a formal QAIP policy and presenting this to Audit Committees, as such in the Annual Report as required in the PSIAS.</p> <p>An example policy has been provided.</p> <p style="text-align: right;">PSIAS 1300</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 |
|--|--|
| <p>1 Risk-based internal audit</p> <p>The emphasis of the PSIAS concerns significance. Earlier observations referred to the benefit which may be obtained by increasing alignment with each Councils risk management processes.</p> <p>In this respect current practice:</p> <ul style="list-style-type: none"> a) Includes low risk audits in annual audit plans b) Utilises 'Control Checklists' as the basis for audits, and c) Has a tendency to produce reports that are 'controls based' rather than focusing on risks to achievement of identified management objectives. | <p>Ensure that in all aspects of the internal audit methodology there is transparent consideration of the significant risks that may impact upon successful delivery of management objectives.</p> <p>At an Engagement level this should include identification and focus on particular risks, to the exclusion of others, where risk management policies or discussions identify issues of a potentially catastrophic nature such as safeguarding, health and safety, legislative compliance, failure to deliver statutory services or reputational damage.</p> <p style="text-align: right;">PSIAS 2010/2300/2060</p> |
| <p>2 Code of Ethics</p> <p>Internal Audit reports currently state that the audit has been conducted in accordance with the Public Sector Internal Audit Standards.</p> | <p>Increasingly best practice also states that the audit has been conducted in accordance with the Institute of Internal Auditors Code of Ethics.</p> <p style="text-align: right;">PSIAS Code of Ethics</p> |
| <p>3 Working papers</p> <p>The file review exercise identified different practices in relation to how the audit working papers were constructed with some focusing on risks and other more reflective of controls.</p> | <p>Establishing the 'Golden Thread' between Management Objectives, significant risks and key controls should be the basis of each audit as this would allow the development of a consistent approach to the conduct of audit engagements and ensure a focus on significance.</p> <p style="text-align: right;">PSIAS 2200/2300</p> |

| Issue identified | Recommended action |
|---|---|
| <p>4 IA Opinions</p> <p>Internal Audit currently uses four levels of opinion – Substantial, Reasonable, Limited and Inadequate – definitions of expectations is provided clarifying the differences between the levels, although this uses general terminology regarding risk rather than relating specifically to the risk appetite of each client.</p> <p>The PSIAS as stated previously emphasises the requirement to focus on what is 'significant' to the achievement of Management Objectives.</p> | <p>The HoIA should consider rewording basis of overall opinions to provide increasing clarity regarding how internal auditors should assess the assurance level provided based on the significance of the risks identified and the recommendations made.</p> <p>Where a risk/recommendation of a 'Critical, Catastrophic or Severe' nature is identified this would indicate that at best a 'Limited Assurance' opinion should be used.</p> <p style="text-align: right;">PSIAS 2410 A1/2060</p> |

Delivery continued

| Issue identified | Recommended action |
|--|---|
| <p>5 Head of Internal Audit Annual Report</p> <p>The Annual Report provides an evidenced approach regarding the basis upon which the opinion regarding risk management, governance and control has been reached and compares favourably with other practice in the sector.</p> <p>This includes increasing recognition of significant risk and those wider sources of assurance that are available to the HoIA in reaching this opinion.</p> <p>Whilst risk management systems do not consistently include a comprehensive analysis of the sources of assurance as a second line of defence, the internal audit team has made good progress in identifying routine sources of assurance that are available as well as compiling a Fraud Risk Assessments for each client.</p> | <p>The Head of Internal Audit should continue to develop the formality of the Annual Report process building the links between this report and the Annual Governance Statement.</p> <p>Inclusion of references to significant risks currently faced by each client will be of benefit to all stakeholders.</p> <p>Further consideration should be given to inclusion other sources of assurances that are available such as that relating to independent assurance regarding PSN, where these are relevant to providing evidence regarding the significant risks faced by each client.</p> <p style="text-align: right;">PSIAS 2060/2450</p> |

Part two



Suggested enhancements for consideration

Suggested Enhancements for consideration

| | Issue identified | Recommended action |
|----|---|--|
| 1. | <p>Exit meeting template</p> <p>Discussions with management regarding the findings identified within engagements are discussed with management and based upon a first draft of the report.</p> <p>A summary of the discussion is then recorded in a narrative note, which is then used to produce the final report.</p> <p>Draft reports can contain misunderstandings or factual inaccuracies which may detract from the value of a report and which may be better clarified before time is incurred constructing a report and recommendations.</p> | <p>It is recognised that the HoIA prefers to use the draft report as the basis for conducting the exit meeting however it may be beneficial to introduce a standard template on which to record findings/recommendations along with draft management reactions as the audit progresses, as this will both formalise the approach to arriving at the draft report stage, as well as support timely feedback and verify any misunderstandings or factual inaccuracies.</p> <p>This may represent a more efficient and effective use of time by all parties rather than wait for production of a draft report to correct misunderstandings.</p> |
| 2. | <p>Client surveys</p> <p>Progress has been made in obtaining feedback from auditees following each audit.</p> | <p>The level of response is similar to that seen in other organisations and therefore Internal Audit may find it useful to utilise an application such as Microsoft Forms or Survey Monkey for collecting feedback, as this can prove to be an efficient means which helps achieve an early response.</p> |
| 3. | <p>Working Paper review record</p> <p>Current practice is to evidence supervision of an engagement using a working paper review template which reflects good practice.</p> <p>Other evidence of review is contained on pre-engagement documentation and at report stage.</p> | <p>It may be beneficial to extend the use of the existing template to include evidence of the review of pre-audit involvement of the nominated supervisor as well as approval of the review and release of draft and final reports.</p> |

Suggested Enhancements for consideration

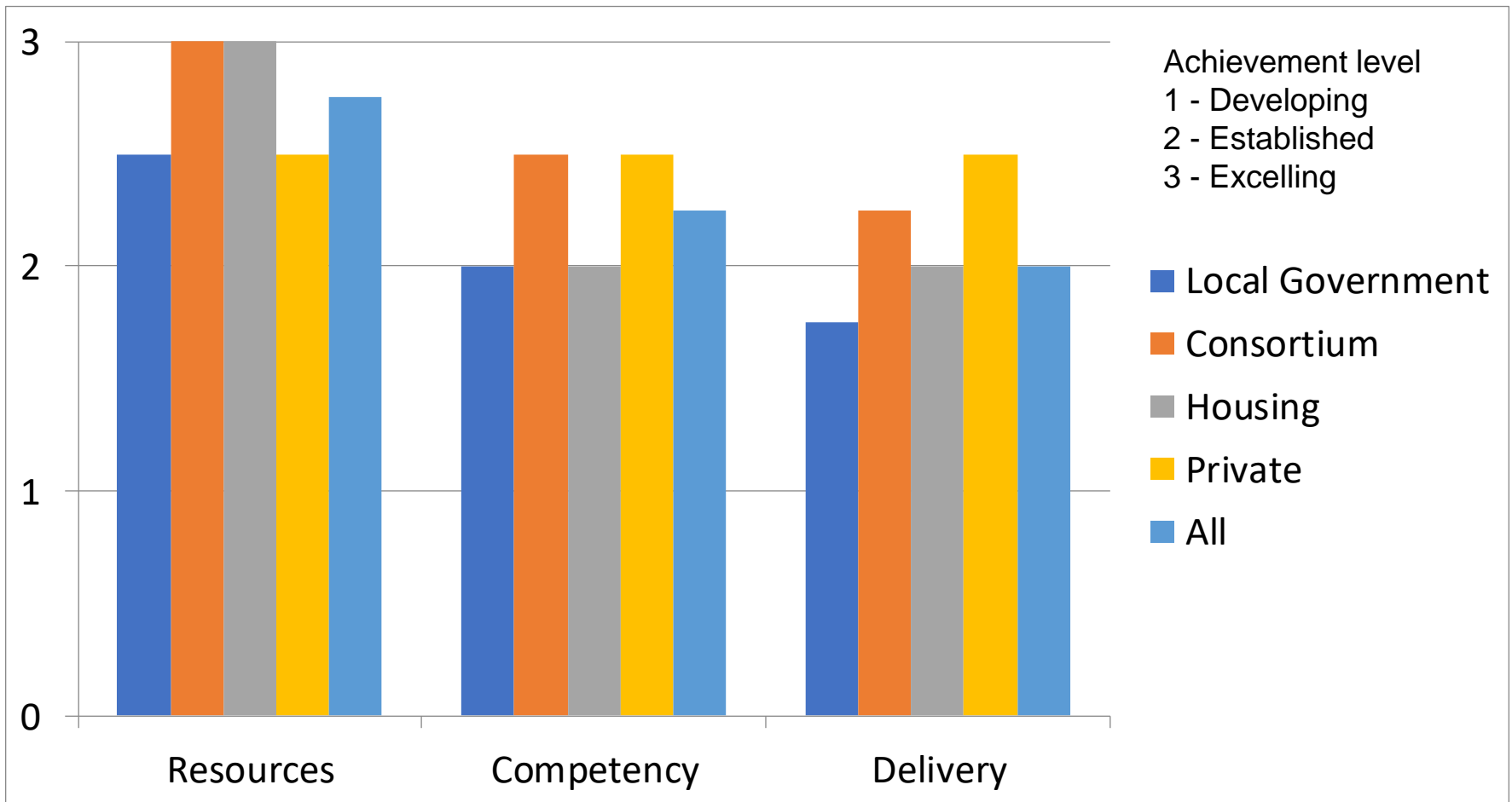
| | Issue identified | Recommended action |
|----|--|--|
| 4. | <p>HoIA Performance Development Review</p> <p>The current process is managed as required by the policy at Chesterfield Borough Council with the review being completed by the Service Director Finance; the Chief Executive reviews and comments as the managers manager.</p> <p>The standards suggest that it is good practice for feedback to also be received from the Chair of the Audit Committee.</p> | <p>As the IA Consortium provides a service to four other organisations it would be constructive to also invite feedback on an annual basis from the Chief Executive and Chairs of Audit Committee from these clients.</p> <p>PSIAS 1110</p> |

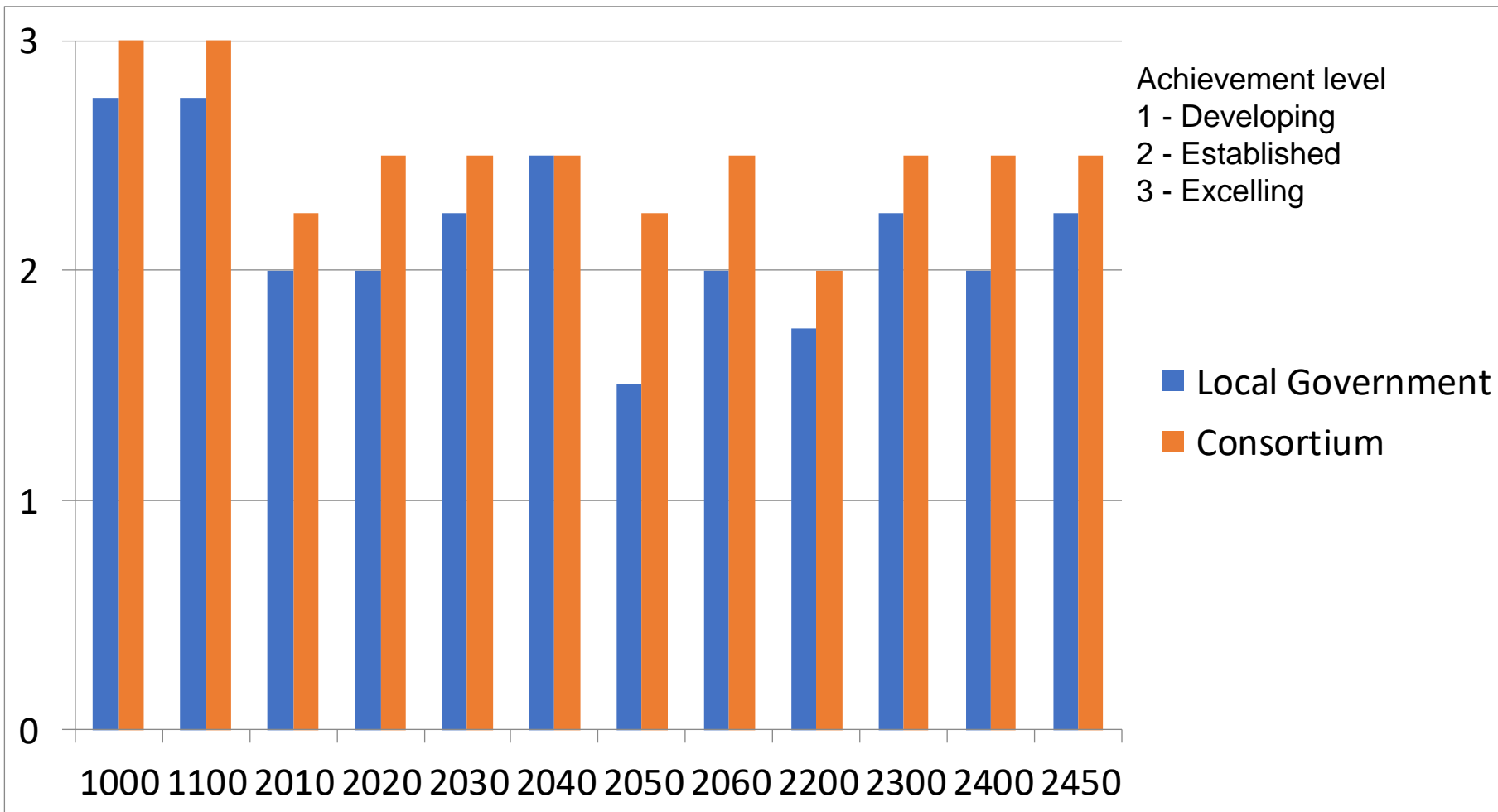
Part three



Benchmarking

Benchmarking - Sector 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. 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. | 93 | 7 |
| 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. | 93 | 7 |
| Average | 98% | 2% |

Conclusion:

Feedback from stakeholders confirms that the Consortium is considered to provide a high-quality internal audit service whose brief is clearly understood and the assurance and advice that is provided is well regarded.

Those responses where negative feedback has been received may reflect other findings of the review in so far as they reflect the potential to increase recognition of management objectives and inherent risk through continuing to develop client relationships to mutual benefit.

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

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.

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 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. |
| Review | The Internal audit service should review its approach in this area to better reflect the application of the PSIAS. |
| Consider | 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.