

Internal Audit Annual Assurance Report 2020/21**Report by Chief Internal Auditor****Report for Decision****1 Recommendations**

The Audit Committee is asked to:

- a) Consider the Internal Audit Annual Assurance Report 2020/21 (Appendix 1), and assurances contained therein; and
- b) Provide any commentary thereon, including any further actions required by Management.

2 Purpose of Report/Executive Summary

The purpose of this report is to present to the Audit Committee the Internal Audit Annual Assurance Report for the year to 31 March 2021 which includes the Chief Internal Auditor's independent assurance opinion on the adequacy of Midlothian Council's overall control environment.

The Public Sector Internal Audit Standards (PSIAS) require that the chief audit executive, the Council's Chief Internal Auditor, provides an annual internal audit opinion and report on the adequacy and effectiveness of the Council's governance, risk management and internal controls to support the preparation of the Annual Governance Statement. This is in support of the overall governance arrangements of the Council, as set out in the Local Code of Corporate Governance.

To meet the requirements of the PSIAS, the Internal Audit Annual Assurance Report 2020/21 (Appendix 1) includes the Chief Internal Auditor's annual opinion, provides details of the Internal Audit activity and performance during the year to fulfil its role, and summarises the outcomes of assessments of the Internal Audit service against the PSIAS.

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Report Contact:

Jill Stacey

jill.stacey@midlothian.gov.uk

3 Background

- 3.1 The Local Authority Accounts (Scotland) Regulations 2014 that came into force on 10 October 2014 require a local authority to operate a professional and objective internal auditing service. This service must be provided in accordance with recognised standards and practices in relation to internal auditing. Recognised standards and practices are those set out in the *Public Sector Internal Audit Standards: Applying the IIA International Standards to the UK Public Sector* (PSIAS). The standards require internal audit to have suitable operational independence from the organisation.
- 3.2 The Public Sector Internal Audit Standards (PSIAS) 2017 require that: “The chief audit executive [MLC’s Chief Internal Auditor] must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. The annual report must incorporate:
- the opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.”
- 3.3 The Terms of Reference of the Midlothian Council Audit Committee states:
1. The Audit Committee is a key component of Midlothian Council’s corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
 2. The purpose of the Audit Committee is to provide independent assurance to Elected Members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Midlothian Council’s governance, risk management and control frameworks, and oversees the financial reporting and annual governance processes. It oversees Internal and External Audit, helping to ensure efficient and effective assurance arrangements are in place.

4. Internal Audit Annual Assurance Report 2020/21

- 4.1 The Internal Audit Annual Assurance Report 2020/21 (Appendix 1) includes the Chief Internal Auditor’s independent and objective opinion regarding the adequacy and effectiveness of internal control within Midlothian Council to fulfil the statutory role of Internal Audit, provides details of the Internal Audit activity that supports the opinion and of the performance during the year, and summarises the outcomes of assessments of the Internal Audit service against the Public Sector Internal Audit Standards (PSIAS).
- 4.2 The Internal Audit Annual Assurance Report 2020/21 provides assurances in relation to the Council’s corporate governance framework that is a key component in underpinning delivery of the corporate priorities within the Single Midlothian Plan and will be used to inform the Annual Governance Statement 2020/21.

5 Report Implications (Resource, Digital, Risk and Equalities)

5.1 Resource

The Internal Audit function reports directly to the Chief Executive (operationally) and the Audit Committee (functionally). There is currently a staff resource of 4.64 FTE, comprising Chief Internal Auditor (0.5 FTE – shared with Scottish Borders Council; 1.42 FTE Other shared Internal Audit resources), Principal Internal Auditor (0.72 FTE), and Internal Auditor (2.0 FTE). Each member of the Internal Audit team has a professional internal audit or accountancy qualification, and has suitable experience, knowledge, skills and competencies (such as the Code of Ethics set out in PSIAS and the Seven Principles of Public Life) needed to perform the plan.

Staff resources have been adversely affected during the year, most notably due the continued part-time deployment throughout the year of the two Internal Auditors to assist with the administration of support grant payments as part of the Council's emergency response associated with Covid-19. Adjustments were made to the Internal Audit Plan: additional assurance work on new risks associated with the Covid-19 emergency response; some assurance work was re-phased; and some audits have been deferred to 2021/22. The audit work within the revised Internal Audit Annual Plan 2020/21, which was approved by the Audit Committee on 8 December 2020, is reflected in the Internal Audit Annual Assurance Report 2020/21 (Appendix 1).

There is a commitment by Midlothian Council to provide resource to the Midlothian Health and Social Care Integration Joint Board (MIJB) as part of the Council's commitment to partnership working. Separate plans and reports are presented to the MIJB Audit and Risk Committee. The audit opinion based on work undertaken during the year to meet that commitment will be presented in a separate annual assurance report to the MIJB Audit and Risk Committee and MIJB to fulfil that role.

Budget monitoring of the Service is discussed by the Chief Internal Auditor and the Principal Internal Auditor with the Financial Services Manager on a quarterly basis to address any budgetary pressures.

5.2 Digital

There are no digital implications arising from this report.

5.3 Risk

The PSIAS require Internal Audit to evaluate the effectiveness of the Council's Risk Management arrangements and contribute to improvements in the process. The Chief Internal Auditor's opinion on the systems of internal control, risk management and governance is set out within section 2 of the Internal Audit Annual Assurance Report 2020/21 (Appendix 1).

Internal Audit provides assurance to the Corporate Management Team and the Audit Committee on the adequacy and effectiveness of internal controls and governance within the Council, including risk management, and to highlight good practice and recommend improvements. Key components of the audit planning process include a clear understanding of the Council's functions, associated risks, and range and breadth of audit areas for inclusion within the Annual Plan.

It is anticipated that improvements in the management and mitigation of risks will arise as a direct result of Management implementing the Internal Audit recommendations made during the year or outstanding from previous years.

Delivery of the Internal Audit services in conformance with the PSIAS will enable the Council to meet the requirements of the Local Authority Accounts (Scotland) Regulations 2014 to consider the findings of assessments as part of the consideration of the system of internal control required by regulation 5.

5.4 Ensuring Equalities

This report does not relate to a new or revised policy, service or budget change, which affects people (the public or employees), so an Integrated Impact Assessment (IIA) is not an applicable consideration.

The Internal Audit work is carried out in accordance with the appropriate legislation and professional standards. This includes compliance by those within the Internal Audit function with the Code of Ethics, set out in the PSIAS, and the Seven Principles of Public Life (the Nolan Principles), set out in the Employees' Code of Conduct. This is appropriate for the profession of Internal Audit, founded as it is on the trust placed in its independent and objective assurance about risk management, internal control and governance.

5.5 Additional Report Implications (See Appendix A)

APPENDIX A – Additional Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Although this report does not relate directly to the key priorities within the Single Midlothian Plan to which Midlothian Council and its Community Planning Partners have made a commitment (Reducing the gap in economic circumstances; Reducing the gap in learning outcomes; Reducing the gap in health outcomes; and Reducing the impact of climate change), by providing an independent and objective annual assessment of the adequacy of the entire control environment, Internal Audit supports the Council to achieve its objectives.

A.2 Key Drivers for Change

Key drivers addressed in this report:

- Holistic Working
- Hub and Spoke
- Modern
- Sustainable
- Transformational
- Preventative
- Asset-based
- Continuous Improvement
- One size fits one
- None of the above

Midlothian Council is committed to creating a great place to grow supported by the 9 drivers for change. Implementing the 9 drivers for change in practice is applicable to the Council's Internal Audit service provision to assist the Council in achieving its objectives.

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- One Council Working with you, for you
- Preventative and Sustainable
- Efficient and Modern
- Innovative and Ambitious

A.4 Delivering Best Value

The definition of Internal Auditing within the Public Sector Internal Audit Standards (PSIAS) is "Internal auditing is 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."

Implementation by Management of the actions associated with Internal Audit recommendations, that are designed to improve internal control and governance arrangements and management of risks, underpins the Council's

own continuous improvement arrangements to enhance its effectiveness, thus supporting the delivery of the Council's best value duties.

A.5 Involving Communities and Other Stakeholders

Internal Audit's purpose is to support the Council in its activities designed to achieve its declared objectives for the benefit of Midlothian's communities and other stakeholders.

The Chief Internal Auditor is accountable to the Audit Committee which, in fulfilling its governance role, acts as a bridge between the Council and other stakeholders.

This report has been presented to the Corporate Management Team to outline the key messages of assurance and areas of improvement. Senior Management have been advised to take this report, audit opinion and findings from associated work during the year into account when completing their annual self-evaluation and assurance process for the Council's Annual Governance Statement 2020/21.

A.6 Impact on Performance and Outcomes

The Findings and Recommendations from Internal Audit work during the year, which are designed to maintain and / or enhance internal controls, governance arrangements and risk management, assists the Council in improving its performance and outcomes.

A.7 Adopting a Preventative Approach

Having robust internal controls, governance arrangements and risk management in place contributes to safeguarding the Council's resources for delivery of services, as part of protecting the public purse. Internal Audit assurance and consultancy activity is designed to improve operations and assist the Council in accomplishing its objectives.

A.8 Supporting Sustainable Development

This report does not relate directly to supporting sustainable development. Good governance, including the provision of an Internal Audit service, is important to enable Midlothian Council to achieve its objectives.

Chief Internal Auditor's Annual Assurance Report and Opinion 2020/21 for Midlothian Council**1 Introduction**

- 1.1 It is Management's responsibility to design and maintain proper risk management, governance and internal control processes and systems to ensure probity in systems and operations, including the prevention, detection and resolution of fraud and irregularities. Management is also responsible for checking that the arrangements and controls are operating effectively. These are known as the first and second lines which are not fixed but evolve as the Council changes.
- 1.2 Internal Audit, as the third line, is an independent appraisal function established for the review of the internal control system as a service to Midlothian Council. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources and the management of risk.
- 1.3 The Internal Audit activity adds value to the organisation (and its stakeholders) when it considers strategies, objectives, and risks; strives to offer ways to enhance governance, risk management and control processes; and objectively provides relevant assurance.
- 1.4 The Objectives of Internal Audit are set out in its Charter:
"Internal Audit's responsibility is to report to Midlothian Council on its assessment of the adequacy of the entire control environment, through the Corporate Management Team ('senior management') and the Audit Committee (the 'board' for the purposes of Internal Audit activity).
Internal Audit adds value to the organisation (and its stakeholders) by enhancing governance, risk management and control processes and objectively providing relevant assurance.
As part of Midlothian Council's system of corporate governance, Internal Audit's purpose is to support the Council in its activities designed to achieve its declared objectives"
- 1.5 The Public Sector Internal Audit Standards (PSIAS) (2017) requires that:
"The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.
The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
The annual report must incorporate:
- the opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme."
- 1.6 This Annual Assurance Report provides the annual internal audit opinion to fulfil the statutory role of Internal Audit and summarises the work carried out by Internal Audit during the year to 31 March 2021 that underpins the opinion in accordance with the Internal Audit Charter, Strategy and Annual Plan 2020/21. The report also states the outcomes of assessments of the Internal Audit service against the PSIAS.

2 Opinion on the systems of Internal Control, Risk Management and Governance

- 2.1 My opinion is that, based on our reviews, risk assessments and knowledge, the systems of internal control, risk management and governance are generally adequate. There is more work to be done with the implementation of Internal Audit recommendations made in previous years associated with the strategic governance arrangements that underpin procurement and contract management, financial management, and workforce development to address the identified risks.
- 2.2 The Council's Local Code of Corporate Governance complies with the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016). The Council's Corporate Management Team (CMT) were provided the opportunity during the year to engage in the review and finalisation of the updated Local Code of Corporate Governance. This was part of Internal Audit's assessment of internal control and governance to include comprehensive evidence against each of the seven principles of good governance and sub-principles. The updated Local Code was approved by Council in March 2021. This will ensure that this key document continues to be relevant and complete to reflect the appropriate framework for effective governance of the Council's affairs and facilitate the exercise of its functions to deliver best value.
- 2.3 The Audit Committee received quarterly update reports from the Service Manager Waste, Risk and Resilience on the most significant and emerging risks. The Committee Report template includes a section on risk implications to provide information to Elected Members. The Risk Management Policy (approved February 2014) and guidance/quick guide (dated 2012 and 2013) need to be reviewed and updated, along with a Strategy for the implementation of risk management policy requirements. An Internal Audit review of Risk Management is scheduled for completion in 2021/22.
- 2.4 The Financial Regulations (approved July 2012), and associated policies, procedures and guidelines need to be reviewed, updated and developed, as appropriate, to reflect changes arising from organisation structures and systems and then be kept under regular review. Findings from some of the Internal Audit reviews during the year have indicated some gaps and updates are required. Further work is required to implement recommendations made in previous years' audits relating to budget monitoring, and internally provided financial management information.
- 2.5 Improvements over the Council's procurement and contract management are required as there were examples of contracts not being retendered when the existing contract had expired, Non Competitive Action forms not always being completed for single source suppliers, and Services not always using existing framework suppliers. There is no system in place to manage contracts from cradle to grave and no dedicated resource to undertake contract monitoring to ensure that the controls are operating effectively. Further work is required to implement recommendations made in previous years' audits.
- 2.6 A long term Capital Investment Strategy is in place. New Capital projects >£1M are subjected to a gateway review by the Capital Plan and Asset Management Board (CPAMB). A more in-depth Internal Audit review of Capital Investment is scheduled for completion in 2021/22.
- 2.7 Further improvements in internal control, risk management and governance have been agreed by Management, as highlighted in Internal Audit reports and through recommendations made during the year or outstanding from previous years. There is an opportunity for Management to monitor and oversee the implementation of Internal Audit recommendations on a regular basis to demonstrate continuous improvement and to address identified risks.

3 Internal Audit Annual Plan 2020/21 Delivery

- 3.1 Internal Audit staff resources have been adversely affected during the year. Most notably the whole team have been and continue to be working from home due to the ongoing response to the Covid-19 pandemic. This has impacted on how Internal Audit work has been delivered, though this has been facilitated by the use of MS Teams and access to network drives and business applications. There were reduced days capacity due to the continued part-time deployment throughout the year of the two Internal Auditors to assist with the administration of support grant payments as part of the Council's emergency response associated with Covid-19. This has resulted in the level of Actual Audit days being lower than plan (80%). There has been no impairment to the independence or objectivity of the Internal Audit function arising from the deployment to this non-audit work or from consulting work during the year.
- 3.2 Adjustments were made to the Internal Audit Plan: additional assurance work on new risks associated with the Covid-19 emergency response; some assurance work was re-phased; and some audits have been deferred to 2021/22. The revised Internal Audit Annual Plan 2020/21 was approved by the Audit Committee on 8 December 2020. The following Audits from the 2020/21 Audit Plan have been deferred to 2021/22:
- Income Collection (Assurance - Cyclical);
 - Roads Maintenance Service (Assurance - Cyclical);
 - Homelessness (Assurance -Cyclical);
 - Learning and Physical Disabilities Services (Assurance – Risk)
 - School Excursions (Assurance – Risk)
 - Automated Invoice Payments (Assurance - Risk).
- 3.3 The range and breadth of Internal Audit work that has been performed during the year, which is listed below, is sufficient to inform the Internal Audit assurance opinion.

Cyclical Audits

- 3.4 To provide assurance on the internal controls in place and perform testing of transactional data relating to service areas and systems selected from the Audit Universe on a cyclical basis within a 5-year period, reviews included:
- Annual Assessment of Internal Controls and Governance (Continuous audit approach to follow-up on implementation of actions for Areas of Improvement set out in the Annual Governance Statement 2019/20; work with CMT from August to December 2020 on each of the 7 core principles and sub-principles to refresh the Local Code of Corporate Governance. Test a sample of the key elements in the Local Code to determine whether these are operating as described. Prepare this annual assurance report for Management and the Audit Committee summarising the work undertaken by Internal Audit during the year and forming the statutory opinion on adequacy of the Council's arrangements for risk management, governance and internal control).
 - Fleet Management (Review asset management planning and maintenance of the Council's fleet ensuring that fleet repairs and replacement decisions represent value for money. Include a review of the controls over fuel management).
 - Property Maintenance (Review of the in-house building maintenance team undertaking repairs to the Council's housing and non-housing buildings. Include a review of jobs from creation through to billing).
 - Council Tax (Review the adequacy of controls over the Council Tax System with coverage limited to liability, billing and collection).
 - Information Governance (Continual audit approach to review the information governance framework including roles and responsibilities, policy development and implementation, specifically on information security).

- Schools Expenditure (Review orders, invoice payment processes and expenditure across schools to ensure it is in line with procurement policy and procedures; and that Payroll payments are in accordance with approved staffing establishment).
- Social Housing Rents (Review the management arrangements and the adequacy of controls over the collection of Council house and garage rents).
- Trading Standards (Review the business practices and ways of working within Trading Standards to ensure that regulatory obligations are met and risks are appropriately managed).
- DSM Budgets (Assess whether DSM budgets set for 2020/21 are sustainable and based on realistic plans and that appropriate scrutiny is undertaken to enable service delivery within approved budget).

Risk Based Audits

3.5 To provide assurance on the internal controls, risk management and governance arrangements associated with strategic and operational frameworks in place for the efficient and effective delivery of objectives, reviews included:

- Change and Transformation Programme (Monitor implementation of improvements to the governance and accountability arrangements for the change and transformation programme including processes for benefit (financial and other) identification, tracking and realisation).
- Business Planning, Budget Setting and Monitoring (Evaluate the implementation of improvements to ensure 2020/21 budgets are sustainable and based on realistic plans, and that appropriate scrutiny and challenge is undertaken on revenue budget monitoring reports to enable service delivery within approved budgets).
- Workforce Planning (Follow-up on implementation of previous recommendations to improve workforce strategy and planning processes to provide skills, knowledge and competency requirements for service delivery to meet the Council's objectives – carry out as part of audit on Business Planning, Budget Setting and Monitoring).
- Procurement and Management of Contracts (Monitor the implementation of improvements recommended and quality assurance arrangements through cross reference with other related audit work).
- Passenger Transport (Review over the governance, controls, costs and management of passenger transport services across the Council including end to end processes for client and provider).
- Capital Investment (High level review of the established control framework and governance arrangements in place to plan Capital Investment projects).

Legislative and Other Compliance Audits

3.6 To test compliance with the terms of the funders' service level agreements or other requirements as part of the wider assurance framework, reviews included:

- EU Funded Programme Tyne Esk LEADER (Annual requirement to review the controls in place to deliver the EU Funded Programme Tyne Esk LEADER and to undertake compliance related work as defined by the Service Level Agreement).

Consultancy

3.7 In its 'critical friend' role provided an independent view and challenge at various forums including Business Transformation Board, Capital Planning and Asset Management Board, and Information Management Group. Audit Consultancy work carried out on request and in agreement by the Chief Internal Auditor; undertake audit consultancy work relating to community resilience funds, infrastructure developments, participatory budgeting, and housing allocation policy.

Other Audit Work

3.8 During the year resources were deployed in undertaking the following other audit work in support of the Internal Audit function meeting its wider objectives as set out in the Internal Audit Charter:

- PSIAS Self-Assessment (Undertake an annual self-assessment of the Internal Audit service against the Public Sector Internal Audit Standards (PSIAS) and report its findings to Management and the Audit Committee).
- MLC Audit Committee Self-Assessment (Provide assistance to the Chair in undertaking a self-assessment of the Audit Committee against the CIPFA best practice guidance).
- MLC Recommendation Follow-Up Reviews (Undertake two reviews. The first includes a sample check of Audit Recommendations which are flagged as closed, to check that they have been implemented and to ensure that the new controls had the desired effect on improving internal controls, risk management and governance; and the second assesses performance against closing Audit Recommendations by the agreed due date).
- Help Desk Enquiry System (Provide guidance and advice on request to Management and Staff on internal controls and governance).
- MLC Administration of Audit Scotland Reports (Monitor publication of Audit Scotland reports and co-ordinated submission by Management of Audit Scotland Reports to the Audit Committee or other Committee as relevant).
- Risk Management and Integrity Groups (Attend and provide support in the form of relevant Internal Audit updates and advice to the Groups to fulfil their roles).
- MLC Boards / Committees (Prepare for and attend Audit Committee meetings and other Boards/Committees as relevant).
- MLC Audit Planning for 2021/22 (Review and update the Internal Audit Charter and Internal Audit Strategy, and develop the proposed coverage of the Internal Audit Annual Plan for 2021/22 for Midlothian Council, incorporating the deferred audits from 2020/21 due to the impact of the Covid-19 pandemic).

Non MLC Work

3.9 The MLC Internal Audit team has carried out assurance work during the year for the Midlothian Integration Joint Board (MIJB) based on a plan approved by the MIJB Audit and Risk Committee in March 2020. An annual assurance report, including audit opinion on the adequacy of the MIJB's arrangements for risk management, governance and control of the delegated resources, will be presented to the MIJB Audit and Risk Committee and then to the MIJB in due course.

4 Public Sector Internal Audit Standards and Quality Assurance & Improvement Plan

4.1 The professional standards as set out in Public Sector Internal Audit Standards (PSIAS) effective 1 April 2013 (updated 2017) include:

- Definition of Internal Auditing;
- Code of Ethics;
- Attribute Standards (Purpose, Authority and Responsibility; Independence and Objectivity; Proficiency and Due Professional Care; Quality Assurance and Improvement Programme);
- Performance Standards (Managing the Internal Audit Activity; Nature of Work; Engagement Planning; Performing the Engagement; Communicating Results; Monitoring Progress; Communicating the Acceptance of Risks).

- 4.2 The annual self-assessment 2020/21 of Internal Audit practices against the Standards, as required by the PSIAS, was carried out in February/March 2021 taking into account the progress with implementation of the improvement actions arising from the previous year's self-assessment, as set out within the Quality Assurance and Improvement Plan (QAIP).
- 4.3 The 2020/21 self-assessment has indicated Internal Audit 'Fully Conforms' with the requirements within the 13 Assessment Areas of the Definition of Internal Auditing, the Code of Ethics, Attribute Standards and Performance Standards. The following improvement arising from the 2019/20 self-assessment was implemented in April 2020: streamline audit engagement planning and performing using new templates for audit work files to facilitate more concise reporting. The following improvements arising from the 2020/21 self-assessment have been implemented in recent months:

(a) Update the Internal Audit Charter to include the following explicit references: the PSIAS Mission Statement; a high level reference to statutory officers; compliance with the Seven Principles of Public Life; the professional qualifications and competences of the Chief Audit Executive; the aims of the Internal Audit Strategy, and the risk-based Internal Audit planning process; and arrangements to ensure Internal Audit independence and objectivity is not impaired;
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(b) Update the Annual Declaration and templates for audit engagement planning to reflect behaviour in compliance with Seven Principles of Public Life and arrangements to ensure Internal Audit independence and objectivity is not impaired; and

(c) State progress against any improvement plans, the Quality Assurance and Improvement Plan (QAIP), in the annual report.
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The remaining improvement actions in the QAIP arising from the 2020/21 self-assessment are as follows:

(1) Archive electronic audit files in line with retention policy and record in register;
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(2) Update the Audit Manual to reflect new operating arrangements; and
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(3) Update the Audit Universe to reflect organisational changes and work of other assurance providers (internal and external). The latter provides an opportunity to create an up-to-date assurance map that reflects in more detail the Council's assurance framework that is set out in the Internal Audit Strategy.
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These improvements will be implemented during 2021 and progress reported to the Audit Committee within the Internal Audit Mid-Term Performance Report 2021/22.

- 4.4 PSIAS requires the self-assessment to be subject to an External Quality Assessment (EQA) each five years, by appropriately qualified and independent reviewers. To achieve this, an "EQA Peer Review Framework" was developed by the Scottish Local Authorities Chief Internal Auditors Group (SLACIAG), with Midlothian Council's first EQA in March 2018 carried out by Highland Council. SLACIAG has refined its "EQA Peer Review Framework" based on lessons learned and a programme for the second phase has been finalised. Midlothian Council's EQA is expected to be carried out by East Renfrewshire Council during 2022, and certainly before March 2023 to meet the requirements. In addition during 2022, Midlothian Council is scheduled to carry out the EQA of East Lothian Council.