

Internal Audit Annual Assurance Report 2022/23

Report by Chief Internal Auditor

Report for Decision

1 Recommendations

The Audit Committee is asked to:

- a) Consider the Internal Audit Annual Assurance Report 2022/23 (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 2023 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 2022/23 (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.

Date 9 June 2023

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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:
- 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.
 - 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 2022/23

- 4.1 The Internal Audit Annual Assurance Report 2022/23 (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 2022/23 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 2022/23.

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). The staff resource originally during 2022/23 was 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). In June 2022 the arrangement for a shared Chief Internal Auditor was terminated. For the majority of the 2022/23 year the resource was a Principal Internal Auditor (0.72 FTE), and Internal Auditor (2.0 FTE). In January 2023 a shared service with East Lothian Council for a Chief Internal Auditor (0.5FTE) commenced, supplementary audit resources from Henderson Loggie LLP has been arranged to assist with completion of the 2022/23 Internal Audit Plan. Henderson Loggie have provided 3 draft reports form work completed between March 2023 and June 2023 which are with Council management for comment. 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.

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 2022/23 (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 learning outcomes; Reducing the gap in health outcomes; Reducing the gap in economic circumstances; 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 into account the findings from Internal Audit work during the year when completing their internal control and governance assurance statements as part of the annual self-evaluation and assurance process for the Council's Annual Governance Statement 2022/23.

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 2022/23 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 2023 that underpins the opinion in accordance with the Internal Audit Charter, Strategy and Annual Plan 2022/23. 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, and risk management. Internal Audit Reviews throughout the year have provided substantial assurance against the majority of the areas reviewed, and whilst no High rated recommendations have been raised six of the reviews reported limited assurance in at least one area, being: PPP Schools Contract Management, Freedom of Information, Utilities: Energy and Water Consumption, Employability funded programmes, Care at Home, and Performance Management. Recommendations made are being implemented to improve the control environment in these areas.
- 2.2 The Council's Local Code of Corporate Governance, updated and approved by Council in March 2021, complies with the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016). This ensures 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 Financial Regulations (approved June 2022), and associated policies, procedures and guidelines have been reviewed, updated and developed, as appropriate, to reflect changes arising from organisation structures and systems, and address recommendations arising from Internal Audit findings.
- 2.4 The Internal Audit review of Risk Management November 2021 concluded: Substantial assurance in relation to Risk Management policy. A revised Risk Management Policy and Strategy was subsequently approved by Council in August 2022 and application of principles at Strategic level with the Corporate Management Team and Audit Committee receiving quarterly update reports from the Chief Officer Place on the most significant and emerging risks; Limited assurance in relation to provision of Risk training for Managers, inconsistent application of systematic risk management at Service operational level, and 2nd line monitoring for assurance purposes; and made recommendations which are designed to improve the application of the Risk Management framework consistently across the Council. Progress has been made and through recruitment of a new officer with responsibility for risk management further work is being completed to enhance the risk management process across the Council and ensure a training process is in place.
- 2.5 Whilst activity had commenced to strengthen the procurement function, with the appointment of a Chief Procurement Officer, this post became vacant during the year and remains vacant. Further 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, inappropriate use of Non Competitive Action forms, procurement resource constraints, and the contracts register being incomplete. On appointment of a new Chief Procurement Officer there will be a need to enhance internal controls within procurement processes and procedures to enable compliance with expected standards, and improve the integrity of the contracts register. Further work is required to fully implement recommendations made in previous years' audits to ensure there is a system in place to manage contracts, and resource to undertake contract monitoring to ensure that the controls are operating effectively, are sustainable and demonstrate delivery of value for money.

- 2.6 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. It is important that Management continue 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 2022/23 Delivery

- 3.1 The Internal Audit team continue to work from home, facilitated by the use of MS Teams and access to network drives and business applications. The team attend Council premises as necessary to obtain information or assurances as required. There has been no impairment to the independence or objectivity of the Internal Audit function arising from deployment to non-audit work or from consulting work during the year.
- 3.2 The revisions to the Internal Audit Annual Plan 2022/23 were approved by the Audit Committee. The following Audits have been removed from the 2022/23 Audit Plan in February 2023:
- Workforce Planning (Assurance-Risk) Delayed awaiting service staff appointments. (7 February 2023 - Internal Audit Mid-Term Performance Report 2022/23).
 - Health & Safety (Assurance - Risk) Delayed as external assessment of Health and Safety is being completed. (7 February 2023 - Internal Audit Mid-Term Performance Report 2022/23).
 - School Budgets Devolved School Management (Assurance - Risk) delayed until the 2023/24 audit plan as a result of the resource constraints within the year. (7 February 2023 - Internal Audit Mid-Term Performance Report 2022/23).
- 3.3 It is further noted that a review of Complaints (Assurance – Cyclical) has been removed from the Audit plan for 2022/23 awaiting the implementation of the new Granicus system. The Review of Justice Services that had been agreed in February 2023 to not be completed was included in place of this audit. Due to resourcing constraints audits of Children’s Residential and Day Services and Schools.
- 3.4 The range and breadth of Internal Audit work, which amounts to 89% completion of the revised Internal Audit Plan, performed during the year, which is listed below, is sufficient to inform the Internal Audit assurance opinion.

Cyclical Audits

- 3.5 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 (date reported to Audit Committee):
- 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 2022/23. Annual evaluation against the Local Code of Corporate Governance to determine whether the arrangements are operating as described. Prepare this Annual Assurance Report forming the statutory opinion on the adequacy of the Council’s arrangements for risk management, governance and internal control.) – 26 June 2023.
 - PPP Schools Contract Management and payment mechanism (Review of the contract management arrangements over the Council’s schools PPP (public-private partnership) contracts and the Not for Profit Distributing Model (NPDM) contract including review of the monthly payment mechanism.) – 6 December 2022.

- Accounts Receivable - Sundry Debt (Review of controls in place to set fees and charges for services, raise invoices promptly, and collect debts efficiently resulting in debtors' balances that are complete, accurate and recoverable including review of VAT treatment.) – 7 February 2023.
- Construction projects / social housing programme (Review of the adequacy of the control framework established by management to allow successful delivery of Midlothian Council tendered construction projects including the Social Housing Programme.) – 26 June 2023.
- Counter Fraud and Whistleblowing arrangements (Review of the Council's Counter Fraud controls, including policies and whistleblowing arrangements.) – 29 June 2022.
- Freedom of Information (Review of the controls in place to ensure Freedom of Information and Environmental Information Regulation requests are dealt with adequately and in a timely manner. This included a review of the implementation of the new customer services platform for the FOI and EIR module .) – 6 December 2022.
- Street Lighting (Review of the controls over the installation of new lighting and the maintenance of existing lighting.) – 6 December 2022.
- Purchasing Cards (Review of the controls over the use of purchasing cards ensuring expenditure incurred is valid, appropriate and represents value for money.) Audit complete - draft report with management for review and will be reported September 2023.
- Utilities: Energy and Water Consumption (Review of the controls over the consumption of utilities ensuring utilisation is adequately controlled and represents value for money.) – 7 February 2023.

Risk Based Audits

- 3.6 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 (date reported to Audit Committee):
- Employability funded programmes – (CLL review of employability funded programmes under the terms of the associated agreements to assess compliance with the requirements and delivery of outcomes.)– 7 February 2023.
 - Criminal Justice (Review of the Social Work Justice Services arrangements, with a specific focus around financial controls and reporting (both internally within the Council and to external parties.) – Audit complete - draft report with management for review and will be reported September 2023.
 - Systems Development, maintenance and support (Continual audit approach for the governance of the developing process for improvement in Systems Development, including the development of a programme management office including regular review with the Chief Digital Officer.) – 26 June 2023.
 - Information Governance (to review the adequacy and effectiveness of controls and processes for information governance with a view to providing an opinion on the extent to which risks in this area are managed.) – Audit complete - draft report with management for review and will be reported September 2023.
 - Financial Sustainability in Future Years (Continual audit approach covering the governance and financial management processes for budget setting and agree the Council's Blueprint/Strategic Plan, aligned to the Medium Term Financial Strategy, leading to a multi-year financial plan) – 26 June 2023.

- Care at Home (Review of the contract management arrangements over the care at home contract to ensure that the Council is receiving value for money.) – 26 June 2023.
- Performance Management & Performance Indicators (Testing of a sample of performance indicators to ensure that they are complete, accurate, based on current data and conform to the stipulated criteria.) – 7 February 2023.

Consultancy

- 3.7 In its 'critical friend' role, Internal Audit provided an independent view and challenge at various forums including Business Transformation Board, Capital Planning and Asset Management Board, Capital Plan Management Group, Learning Estate Board, Information Management Group, and Cyber Defence Group.

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 (Undertook 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 (Provided assistance to the Chair in undertaking a self-assessment of the Audit Committee against the CIPFA best practice guidance leading to a report to Council in June 2022, the current assessment will be completed later in 2023 to allow for a full year of operation of the new Committee and consideration against the revised 2022 CIPFA guidance).
- MLC Recommendation Follow-Up Reviews (Undertook two reviews. The first included a sample check of Audit Recommendations which are flagged as closed, to check that they have been effectively implemented and to ensure that the new controls had the desired effect on improving internal controls, risk management and governance; and the second assessed performance against closing Audit Recommendations by the agreed due date).
- Help Desk Enquiry System (Provided guidance and advice on request to Management and Staff on internal controls and governance).
- MLC Administration of Audit Scotland Reports (Monitored 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 (Attended the virtual forums and provided support in the form of relevant Internal Audit updates and advice to the Groups to fulfil their roles).
- MLC Boards / Committees (Prepared for and attended virtual Audit Committee meetings and other Boards/Committees as relevant).
- MLC Audit Planning for 2023/24 (Reviewed and updated the Internal Audit Charter and Internal Audit Strategy. Reviewed and extensively updated the Audit Universe to develop and consult on the proposed coverage within the Internal Audit Annual Plan for 2023/24).

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 2022. 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 2022/23 of Internal Audit practices against the Standards, as required by the PSIAS, was carried out in March/April 2023 taking into account the progress with implementation of improvement actions arising from the previous year's self-assessment, as set out in the Quality Assurance and Improvement Plan (QAIP).

4.3 The 2022/23 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 improvements arising from the 2021/22 self-assessment have been implemented during 2022/23:

(a) Develop a new Audit Consultancy Report template.
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(b) Develop a new template to ensure consistency in Audit Exit meetings.
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(c) Destroy paper audit files in line with retention policy.
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The following improvement actions arising from the 2022/23 self-assessment are being implemented within the audit team to apply the quality management system in 2023/24:

(1) Develop appropriate methodology to formally document service feedback.
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(2) Ensure usage of available training budget against key annual audit priorities.
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(3) Clearly link completed audit reviews to the Single Midlothian Plan.

4.4 The 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 2023, to meet the requirements.