

Area for Development	Issue	Actions	Original Timeframe	Progress update May 2024
Quality Assurance	<p>There is no documented Quality Assurance and Improvement Programme.</p> <p>KPIs are limited in scope and number and do not provide a holistic assessment of the service.</p> <p>Limited documented evidence of supervision and review for individual audits.</p> <p>Customer feedback limited as questionnaires not routinely returned</p> <p>EQA raised that there is limited resilience in the event of HAA absence.</p>	<ol style="list-style-type: none"> 1) Develop a QAIP for the section 2) Develop a set of KPIs for the section 3) Develop a system for monitoring and chasing return of questionnaires 4) Ensure that all files show evidence of review points and responses, prior to draft ToR or report release 5) Amend the QAIP to ensure the review of audit files confirms that internal auditors have documented the relevant information obtained that review to support conclusions and results. 6) Consideration could be given to the internal audit team periodically peer reviewing each other's work as a learning exercise, as part of the training covering this aspect of the Standards and the conduct of file reviews. 7) Consideration should be given to creating a designated deputy role within the Internal Audit Service to provide greater leadership and management capacity and service resilience. 	<p>Oct-22</p> <p>July 2023</p> <p>March 2024</p>	<ol style="list-style-type: none"> 1) Complete 2) Complete 3) Complete, we have reviewed and revised the questionnaire and are now using MS Forms to make completion easier. Returns are improving and we will continue to monitor this. 4) Complete 5) Complete 6) In progress - We have agreed arrangements but not yet put these into practice due to low staff numbers. 7) In progress, the team structure is currently being reviewed in light of vacancies.
Independence and Objectivity	<p>The Head of Audit and Assurance's appraisal is undertaken by the s151 officer with no input from the Chair of Audit Committee or the Chief Exec.</p> <p>The team are very experienced at LBB but</p>	<ol style="list-style-type: none"> 1) Discuss with the s151 Officer how feedback from others can be used to inform the appraisal process 2) Ensure that auditors are allocated a range of subjects and that we have discussions prior to 	01/02/2023	<ol style="list-style-type: none"> 1) Complete 2) Complete

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	<p>this does mean we need to be more careful when allocating assignments to ensure rotation and objectivity, whilst making use of skills and experience.</p> <p>EQA raised issue around HAA independence re Financial Regulations responsibilities, and where audits take place in areas for which HAA responsible.</p>	<p>detailed planning about previous work in the area and any impact this may have</p> <p>3) Update the HAA job description to remove reference to reviewing and updating the Financial Regulations.</p> <p>4) Where the Head of Audit and Assurance has operational responsibility for an area to be covered in the internal audit plan, the Director of Finance should review and agree the terms of reference for the review, the draft report to be issued to management and the final report to be issued for the engagement.</p>	<p>Ongoing but embedded by March 2023</p> <p>30/09/2023</p> <p>As of date of next relevant review</p>	<p>3) Complete</p> <p>4) No relevant review to date</p>
IT Risks and Controls	Some staff did not feel confident auditing IT risks and controls.	1) Source and deliver training as part of the IA Training Plan	Mar-23	1) Complete – training provided in June 2023
Data Analytics	There is limited use of data analytics.	<p>1) Develop a data analytics strategy which includes training, skills and roll out</p> <p>2) Ensure auditors have opportunities to practice their skills within individual audits</p>	Mar-23	<p>1&2) Two team members were tasked with developing this strategy as part of their 2023/24 objectives, however both have now left so the strategy needs to be reallocated.</p> <p>We are however now sourcing suitable training for Summer 2024.</p>

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Procedures	The Audit Manual has not been fully updated and disseminated since 2015.	1) Update the Audit Manual and roll out to the Team 2) The Audit Checklist should be amended so that the auditor can record where confidential information has been obtained during the audit and whether this information has been included in the report provided to management. Such information would then need to be redacted or removed when the final report is published.	Dec-22 31 July 2023	1) Complete. 2) Complete
Reliance on other assurance providers	There is no defined process for identifying and placing reliance on other assurance providers. Relationships with EA are not well developed.	1) Assurance mapping included as part of the 2022-23 Internal Audit Plan 2) Develop process for placing reliance on other forms of assurance	Mar-23	1) Assurance mapping was planned but not delivered due to resource changes. All staff have an objective for 2024/25 to assist with this in specific areas. 2) Complete.
Audit Coverage	Internal Audit's role in providing assurance on, and promoting ethics and values, needs to be enhanced. Similarly, there has been limited work on strategic decisions although operational decisions are routinely covered.	1) Future audit plans need to consider assurance over ethical matters and strategic decisions making.	November 2023 onwards	1) Complete and ongoing.

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Fraud Risks	There is no fraud risk assessment for the organisation and the Counter Fraud strategy is due an update.	1) Update CF Strategy 2) Develop a fraud risk assessment	Nov 2022 March 2024	1) Complete 2) In progress but not yet complete, due to resource limitations.
Consultancy work	There is no template for consultancy work, including the respective roles and responsibilities of both parties	1) Develop a template for consultancy Terms of Reference which includes roles and responsibilities of both parties	Jul-22	1) Complete
Fieldwork	<p>Work programmes (RCMs) are inconsistent in detail and quality. RCMs do not always include how information will be identified, analysed, evaluated and documented, including how samples will be selected.</p> <p>There is limited evidence on file of RCM review and approval prior to fieldwork.</p> <p>Files do not always contain information on how processes are designed and meant to operate, in order to assess adequacy of design.</p> <p>The level of information and detail held on each file is mixed, some do not contain a sufficient level of detail to fully support conclusions and results.</p>	1) Provide training on RCMs in team meeting 2) Review individual RCMs and provide follow up support / coaching as required 3) Planning checklist contains controls section to prompt process design work 4) Provide training on process mapping 5) Request process maps or procedure notes from clients where applicable, checking if correct.	Dec-22	1) Complete 2) Complete and ongoing 3) Complete but needs to be reviewed in light of new professional standards. 4) This is still not complete due to staff absences, it remains on the training plan for 2024. 5) Ongoing - not yet fully consistent

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Reporting	<p>Audit reports have not consistently acknowledged good practice as in some instances the report has been exception only.</p> <p>There is no defined process for releasing full (non redacted) reports to parties outside the organisation.</p>	<p>1) Ensure that all audit reports identify areas which are working well.</p> <p>2) Determine a process for releasing full reports outside LBB.</p>	<p>01/05/2022</p> <p>31/10/2022</p>	<p>1) Complete.</p> <p>2) Complete.</p>
Follow Up	<p>Follow up process newly developed and not embedded.</p> <p>Process for monitoring consultancy pieces of work not defined.</p>	<p>1) Continue to embed follow up process</p> <p>2) Review new process in September 2022 and make any amends.</p> <p>3) Define process for follow up of actions agreed as part of consultancy engagements</p>	<p>Sep-22</p>	<p>1) Complete</p> <p>2) Complete.</p> <p>3) Complete.</p>