

Guidance To Auditors

1. Preparation and Conduct of Audits

Introduction:

This document aims to set out briefly what is expected of auditors in the preparation and conduct of audits. It is an outline only and does not replace or amend any more formal documentation relating to the Standards or contracts with MBARC. It comprised three parts; General Guidance, additional guidance for type I audits and a flow chart of the process.

The guidance will be supplemented periodically by guidance notes on specific topics.

1. General Guidance

1.1 Agreement to Audit - Conflict of Interest:

Auditors should consider not only their availability for the on site days but also for the period of their required input to the report and any possible perceived conflict of interest. If the auditor has:

- o worked for the agency,
- o a regular professional relationship with them (e.g. sending or receiving referrals)
- o been involved in development work with an agency,
- o a close personal relationship or close friendship with the manager or staff

they must declare this and not form part of the audit team.

If in doubt, discuss this with the Audit Service Manager.

1.2 Setting Up a Team:

The Audit Service Manager will select auditors on the basis of areas of expertise, travel time and availability and will select a lead auditor and will arrange the on site audit dates. The agency will receive the standard introductory material including the biographies of the auditors.

1.3 Preparation:

The process auditor and lead auditor will receive copies of the application and other relevant documents.

Preparing the Agency: A minimum of four weeks before the site visit, the lead auditor should ring the manager or nominated person in the agency to:

- o introduce him or herself and the team
- o give his or her contact details
- o explain exactly what it is the auditors will need in terms of access to files and to personnel
- o explain what the auditors need as a place to work on site
- o arrange when (and where) the auditors will arrive

Detailed arrangements - numbers and types of case, etc. can and should be e-mailed but telephone contact must always be made with an e-mail follow up confirming any salient points. E-mails should be copied to the Audit Service Manager and Quality Manager.

Background Work: The process auditor will review the application, contact the agency if need be and pass on any information relevant to the audit to the Lead Auditor. The lead auditor should familiarise him or herself with:

- o previous audit reports
- o CAS inspection reports in the case of a CAB
- o Any other material which may be useful
- o Any comments from the process auditor's desk top review

Preparing the Audit and Auditors: The lead auditor will consider the work which needs to be done and the skills of the audit team and prepare an audit plan allocating tasks and as far as possible times for the tasks and advise the audit team of this. The audit visit will take place typically eight weeks of receipt of the application and always within thirteen weeks.

1.4 On site:

It is taken as read that standards of courtesy, confidentiality and professional conduct will be observed and these are not covered here.

The audit should include:

- o An opening meeting with all the auditors present and whatever representatives the agency chooses. At this the process should be explained as should the possible outcomes. Who agencies choose to represent them is wholly their decision but auditors should strongly urge that more than one person attends and that the senior administrator is included in the meetings to help understanding of what is needed and facilitate collecting evidence. Agreement should be reached about who should be contacted in the event of any issues arising during the audit. This may be different people for different areas of casework or

administration and that is the agencies choice but it must be clear. The lead auditor should fulfil that role for the audit team. If the lead auditor is off site, that role must be delegated. There should be time for questions and clarification.

- Examination of procedural and casework documents and relevant interviews, Please take care to ensure records of cases checked carry accurate reference numbers to enable later agency queries to be answered.
- A very brief progress report to the agency. This would normally be after lunch in a single day audit or towards the end of each day on a multi-day audit. This is simply to report progress and make any changes to the audit plan necessary. Auditors should also meet to review progress.
- Interviews with staff and volunteers. We aim to disrupt the agency as little as possible so interview appointments with staff and volunteers should be kept. If the interviews are not needed, staff should be thanked and released from the appointment as soon as possible. Particular care is needed where staff have had to travel from another site to see the auditors to ensure they are promptly seen.
- A systematic review of the agencies evidenced compliance with the standards to date, beginning with the dealbreakers. This should be done to identify areas to focus on for interviews on the second day. It should obviously be done at the end of the first day or early in the second day. A simple template to facilitate this is in the audit toolkit.
- A pre-meeting of the auditors before the closing meeting to agree key findings and recommendations.
- A closing meeting with the agreed personnel (the lead auditor should encourage more than one of the agency's personnel to attend) which will advise in outline what the strengths and areas of concern are and what the team's recommendation is going to be. It must be stressed that this must go to the Quality Manager for a decision.

Adequate time for all these must be built into the audit plan.

Role of the Lead Auditor on site:

The lead auditor may be a Quality of Advice Auditor or a Process Auditor. The lead auditor is expected to be on site throughout the site visit (unless visiting a second site of the agency's). The lead auditor should conduct or lead the meetings with the agency and is responsible for managing the team both in the sense of organising their work and being responsible for the team's conduct. The lead auditor will occasionally be asked to supervise a trainee auditor on site. The lead auditor should observe the trainee's: understanding of the Standards; level of knowledge and competence in his or her specified topics; interpersonal skills; communications

and attention to detail. The lead auditor should report back on these using the form provided, to the Service Manager.

Issues arising on site:

Serious issues such as apparent incorrect advice, misconduct or major failings in systems should be discussed with the lead auditor and then the appropriate person as soon as possible after they arise. They should not ever be left for closing meetings. We will endeavour to ensure that the Quality Manager or a member of the Quality Review Team is available to give advice and support to auditors on site when it is needed.

1.5 Dealbreakers and Not Yet fully Complaint Status

Wherever possible, an audit recommendation to accredit or not accredit should be made. Where not yet fully compliant status seems appropriate, it must be remembered that it cannot be used if *any* of the areas of non-compliance are under Standards 1.1, 1.3, 2.1, 3.1, 3.9, 4.1, 4.2, 4.3, 5.1, 5.3 or 5.5. In such cases the decision **must** be not to accredit.

1.6 Accreditation Types:

It is not uncommon on audit to find that an agency does work effectively in an area of law but not at the Type for which they have applied. It is perfectly acceptable to recommend that Type 11 or Type 111 services are accredited at a different type (either higher or lower). The possibility of this must be raised with the agency as soon as it becomes apparent and certainly before the closing meeting and before a final decision on the recommendation has not been made.

1.7 On completion of the site visit:

- All auditors should report their findings and views to the lead auditor
- All auditors will, at this point, retain their notes.
- The lead auditor should send the final report to the Quality Manager, copying it to the auditors within two weeks of the completion of the site visit.
- The Quality Manager will review the report and discuss any significant changes with the Lead Auditor
- The Quality Manager will issue the draft report to the agency within two weeks of receipt from the lead auditor. If it cannot be agreed further discussion with the audit team may take place.
- The Quality Manager will copy the final agreed report to the audit team.

When the report is agreed, all audit notes should go to MBARC London Office for storage. These should be sent recorded delivery and the cost recovered as an expense. If the notes are typed up they should go by e-mail to the Quality Manager to be retained.

1.8 Appeals:

The audit team may be asked to assist in clarifying their work where agencies appeal and the lead auditor (and other auditors if they wish) will be kept in touch with the progress of the appeal.

2. Additional Guidance for Auditing Agencies applying for accreditation at Type 1 in all areas of law for which they have applied.

From May 2009 a light touch approach is being taken to these audits. This is in response to the sector and the Scottish Government's desire to reduce the burden on type 1 (only) agencies.

The new approach makes it imperative that the audit is very clearly focused as there is very little time to complete it. This further increases the importance of good preparation and making it clear to the agency that it is for them to present evidence, not for the auditor to go hunting for it.

2.1 Definition:

This applies where no area of law has been applied for at Type II or Type III. If one or more areas are sought for accreditation at Type II, a casework audit will be carried out.

2.2 The Standards and the revised Audit:

The *Standards* do not change, the difference is that we do not seek to audit all the standards. Only the standards below will be audited. Agencies deemed compliant with these will be accredited. This audit is basically "deal breakers plus".

Some points to note:

- It is no longer necessary to view case records even if they are kept - unless they are useful to illustrate another area - for instance supervision.
- If an agency appears to be doing work at Type II competently, it is no longer possible to offer an "upgrade". They must re-apply and be subject to a casework audit.

- Preparation with the agency before the audit will be even more important as there simply will not be time on the visit for agencies to look for evidence.
- Allocation of time in the audit is critical. Provided they have been properly advised during preparation, the onus is on them to have the necessary documents available.
- Interviews and competence scenarios will be critical for this type of audit.
- The standards state that advisors must be spending three hours a week on advice related work, supervisors must, similarly spend six hours a week or more.
- In terms of performance of active advice and signposting, Standard 4.3 is critical and must be examined on all audits.
- The deal breaker standards are indicated below and Not Yet Fully Compliant status is thus not an option if they are not fully met.
- The audit of 5.2 includes 5.3 and 5.5 which are deal breakers. If those aspects are deficient, the agency is not compliant.
- Not Yet Fully Compliant decisions will thus be exceptional and should, if possible, be discussed with a member of the Quality Review Team before being discussed with an agency.

2.3 Standards to be audited for Type I only agencies (dealbreakers numbered in bold)

1: General Management Standards	
1.1	All service providers must have clear management structures that identify the roles and responsibilities of all post holders involved in the planning, management and delivery of the service.
1.3	All service providers must have robust systems for financial management.
1.5	Each Service Provider must be able to demonstrate that it is complying with all relevant general legislation.
2: Standards for Planning	
2.1	All service providers must be clear about the remit of their service and the boundaries of their service.
2.5	(amalgamating 2.6) All services must regularly review their work against their aims and objectives for their service and make the results of these reviews available in a publicly accessible format at least once a year. All services must be subject to regular independent review and /or evaluation.
3: Standards of Accessibility and Customer Care	
3.1	(incorporating 3.2, 3.4 and 3.7) All service providers must : be committed to providing equity of access to services for all; regularly review the accessibility of their methods of delivery and be able to provide information in a range of formats and languages appropriate to the needs of the local community
3.9	All service providers must have effective and appropriate policies on confidentiality and access to information.
3.11	Service Providers must have an effective complaints procedure and adequate insurance to provide rights of redress.
4: Standards for Providing Service	
4.1	All service providers must provide an independent and impartial service that can represent the interests of their service users.
4.2	All services must have arrangements to ensure that their service has access to up-to-date reference materials and appropriate journals
4.3	All service providers must maintain regular contact and liaison with other providers in their locality. Referral agreements must be established between agencies to ensure that service users receive a consistent and seamless service.
4.7	All service providers must have robust means of recording service wide activity and service use.
5: Standards Around Competence	
5.2	(incorporating 5.3,5.4 and 5.5) All service providers must ensure that: they have the systems to identify the skills and knowledge to meet users needs; the procedures to match these requirements with staff and volunteers delivering the service; a clear commitment to equal opportunities in employment practice; those delivering the service are provided with adequate training and development and that workers have core competences and that all cases are dealt with by an adviser with the relevant topic specific competence.
5.6	All service Providers must ensure that all information and advice work is supervised by a suitably qualified individual, either from within or outwith the service.
6: Resourcing Standards	
6.2	Service providers must pay sufficient attention to human resource planning to maintain service outputs and inform future planning

3. Accreditation Process Map

