

Internal Audit Peer challenge actions, tracker sheet – update as at 14th May 2024

Ref	Suggestion	Comment by HDC	Proposed Action (Mgt)	Due Date	Audit Action Taken	Progress to February 2024	Comments from Peer Review March 2024
1.	Internal Audit Manager to facilitate or feed into a CIPFA Corporate Governance Committee self-assessment exercise and help to develop a training programme for members.	An effective CGC needs to have a balance of skills across the key elements of Risk Management, Finance and Audit and, where these skills are identified as missing or skewed, appropriate training is proposed to correct this.	IAM to facilitate a self-assessment exercise for committee members, feedback outcomes at a subsequent meeting with proposed actions for members to decide upon.	Feedback to CGC at Jan 2024 meeting.	<p>In progress.</p> <p>A self-assessment exercise was carried out in September. This used the CIPFA checklist rather than the extensive toolkit as an initial indicator and included a discussion on skills based around those attending the session.</p> <p>The assessment is to be shared with whole committee and include all members' comments the committee's effectiveness.</p> <p>To be effective, the assessment needs to be completed by all members.</p>	<p>Updates of the exercise were shared at the January 2024 committee meeting. Chair has asked for a further session to be set up to discuss actions, this is being organised by Democratic Services.</p>	<p>Recommendation 1: Complete action by May 2024 peer review.</p> <p>All CGC members have been reminded to send their completed skills assessment to the S151 Officer as soon as possible. These will be consolidated and linked to training plans being arranged by Democratic Services.</p> <p>Action complete – skills matrix outcomes shared with Chair & Vice Chair</p>

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2.	<p>The Terms of Reference for the Corporate Governance Committee to be regularly/annually reviewed against CIPFA best practice standards and other example of best practice from across the sector to ensure continuous improvement.</p>	<p>To ensure the Council's ToR reflect current legislation and chartered body recommendations, they should be reviewed on an annual basis.</p>	<p>The IAM to review ToR against CIPFA best practices and propose changes to the Deputy Monitoring Officer (DMO) to reflect any updates which are necessary.</p>	<p>Review of ToR to be presented to CGC in Q4 of each financial year, in preparation for the new financial year. March 24</p>	<p>Still to be done. This has been deferred to after the self-assessment by committee has been completed so any additional responsibilities or changes can be made.</p>	<p>Subcommittee of CGC to review CIPFA models ToRs & report to May meeting</p>	<p>Recommendation 1: Complete action by May 2024 review. Action as agreed at March CGC Action complete – new ToR recommended to Council</p>
3.	<p>Further questions for consideration by the CGC:</p> <ul style="list-style-type: none"> • Could the MO/Deputy MO be more involved with the Corporate Governance Committee, by presenting the Annual Governance Statement, Corporate Code of Governance? • There are no declarations of interest recorded for the last 12 months. Are there any that have gone unrecorded? Is advice of the MO being taken on interests by the committee? • Could task groups or working groups of the committee be set up to give additional capacity to review areas of risk/financial strain in more detail? 	<p>The AGS and Code of Corporate Governance were drafted by the S151 Officer in collaboration with the MO. Declarations of interest are requested at the start of all meetings and recorded in minutes. Would this be beneficial to CGC members?</p>	<p>No further action required. DMO to ensure new members are briefed on what is a declaration of interest as part of induction process. CGC to consider this</p>	<p>Ongoing control. Ongoing control. TBD</p>	<p>. Internal Audit has checked declarations made at meetings against those on declarations register. No anomalies were found. CGC will consider working groups as and when the need arises.</p>		<p>See Recommendation 3 below. Action complete. Action complete.</p>

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4.	The Corporate Governance Committee to consider receiving a briefing on CIPFA's Internal Audit Untapped Potential report highlighting areas for action.	This was the basis of the Peer Review and has already been made available to members. The Peer Review feedback, and this action plan accomplishes the action	Action complete	N/A	Completed	Done	Action complete.
5.	Consider a review the role of the Corporate Governance Committee within the Constitution, to ensure the role of committee is clear and transparent.	This should be part of the review linked to action 2.	Per action 2	Per action 2			<p>Recommendation 1: Complete action by May 2024 review.</p> <p>This is part of action 2 above.</p> <p>Action complete – additional section added to ToR to provide clarity</p>
6.	<p>Governance review suggestions.</p> <ul style="list-style-type: none"> Internal Audit Manager, the Monitoring Officer and Director of Finance and Corporate Resources to consider regularly meeting to raise and resolve concerns. Carrying out a governance review (stock take) as part of establishing the new management team. Joint training for members and officers on good governance. 	<p>The IAM and S151 already meet on a regular basis, with the DMO being invited as needed. We assume this relates to CLT recruitment, which is ongoing, and will be assessed once recruitment is complete. The self-assessment exercise for members in Action 1 should be extended to CLT as</p>	<p>No further action</p> <p>Undertake self-assessment exercise for CLT once recruitment is complete, link in with member training for Action 1 where possible or organise additional training if the specific need has already been covered.</p>	<p>Ongoing control.</p> <p>To be completed within three months of all CLT members being recruited and employment commencing</p>		<p>CLT recruitment not yet completed (final CLT member joins mid-March). Assume this will also link in with the future peer review.</p>	<p>Recommendation 1: Complete action by May 2024 review.</p> <p>CIPFA skills matrix assessment to be used.</p> <p>Action complete</p>

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		well, with similar follow up training.					
7.	Senior management and internal audit to work together to consider whether internal audit is best placed to undertake additional tasks outside of its core purpose such as Annual Governance Statement, Code of Corporate Governance review.	It is important the IAM has the opportunity to feed into the AGS and Code of Corporate Governance, but this has been drafted by the S151 Officer recently and will continue as such.	No further action	Completed	Completed		Action complete.
8.	Consideration be made to keeping the Internal Audit Manager informed of the outcomes of Management Team meetings or invited where relevant to observe discussions relating to key transformation projects to enhance strategic approach to auditing.	The IAM is already able to discuss ongoing projects/programmes with the relevant managers, and the risks arising.	Service management team meetings will be asked to update the IAM with any changes to service risks discussed. The IAM will engage with the PMO regarding current projects/programmes.	With immediate effect		IAM has been given full access, and encouraged, to discuss all projects with the relevant PMO or Service Manager	Action complete.
9.	The Internal Audit Manager to discuss key strategic risks from the register with each service area and devise an assurance plan covering the management of key risks.	The IAM has full access to all risks on the Council's 4Risk system and should use these to develop the action plan going forward.	Future IA plans to be linked to the Council's risk registers.	With immediate effect	The Risk Register has been used to formulate the Internal Audit plan. It is still the intention to review the operational audits in the Plan once Services have	Service risks are due to be reviewed in the Service Plan review (due for submission 8 th March). This will then feed into the	Recommendation 1: Complete action by May 2024 review. Complete by CGC Complete – 2024/25 Internal Audit plan has been created from Risk Register and will be

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					completed their risk register.	2024/25 audit plan activity.	presented to May 2024 CGC for approval.
10.	Conducting a risk maturity assessment would be a good way to provide advice and increase the chances that the risk register can be relied on for planning purposes as maturity increases.	Once the Council's Risk Management Strategy has been approved and distributed, this will be the next stage of developing its risk management robustness.	A risk maturity exercise to be undertaken.	Within six months of the revised Risk Strategy being approved.	Risk Management Strategy was approved on 14th November, the risk maturity assessment can now commence.	New Risk & Controls Officer recruited to fill the vacancy left by the previous officer's resignation. Risk register review work will commence with the Service Plan development.	Recommendation 1: Complete action by May 2024 review. Ongoing – Risk & Controls Officer reviewing with service managers. Increased engagement by services with other areas, e.g., Health & Safety has been noted.
11.	Internal Audit considers areas in the assurance plan where a 'position statement' style approach could be used to provide advisory support for new or developing areas.	IA is already developing this methodology and using it in specific areas across the Council.	No further action required.	With immediate effect.	Completed		Action complete
12.	A calculation of auditor's chargeable time (i.e., available audit days minus annual leave, management commitments, training days and ad-hoc/investigatory work) to be undertaken.	The methodology for calculating the number of audit days available has been developed as part of the planning for 2023/24.	The calculation of available days to continue to be used as a measure of IA capacity.	With immediate effect.	The resource plan has been designed.	Resource plan designed but still be allocated to plan.	Recommendation 1: Complete action by May 2024 review. Action complete – prepared as part of 2024/25 audit plan

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	In addition, a skills and knowledge assessment of the audit team to be undertaken once an assurance plan for 2023/24 has been devised. If a shortfall is identified, this to be reported to senior management and CGC for resolution.	The skills and knowledge assessment can be undertaken once the current recruitment exercise for IA has been completed.	Undertake skills and knowledge assessment of IA team	Within three months of current recruitment exercise completing.	The skills and knowledge assessment is still to be undertaken but a skills matrix has been started to capture the qualifications, experience, skills and preferences for each auditor.		Action complete – All IA members have completed CIPFA skills matrix to identify future training needs.
13.	The internal assessment to reference available evidence to support conformance for each standard in preparation for a full External Quality Assessment.	The Council has a statutory duty to undertake an External Quality Assessment every five years. The internal assessment, and collection of evidence is the initial stage of this, to identify area of non-compliance.	IAM to undertake internal assessment of IA and to develop a plan for achieving areas of non-compliance.	To be completed by 31st March 2024		Update awaited from IAM.	Recommendation 1: Complete action by May 2024 review. BDO has since been commissioned to undertake review with report ready by May 2024 review. BDO commenced work 7th May and are due to complete 17th May.
14.	A detailed QAIP (quality assurance & improvement plan) to be developed shared and discussed with senior management and the CGC. QAIP to include;	This is a follow on from action 13 and is the detailed plan for achieving compliance.	IAM to develop internal assessments outcomes into a QAIP, including training needs and performance metrics.	To be completed by 30th June 2024.	Development of the QAIP has commenced.		Recommendation 1: Complete action by May 2024 review. This will be dependent upon the outcomes of the BDO report.

	<ul style="list-style-type: none"> • Areas of all perceived partial conformance with PSIAS and LGAN with actions to develop into conformance with a timeframe and responsible officer allocated for each. • Team training requirements; covering areas of emerging risk such as climate, artificial intelligence, cyber security, culture, data analytics. <p>Performance metrics measured by the team with stretching targets to demonstrate a commitment to continuous improvement. These should be agreed with the CGC and Senior Management and reported at least annually.</p>					
15.	<p>Internal Audit to continue to look for opportunities to carry out data analytics and invests in skills in this area for the future. In the meantime, the team can suggest data maturity enhancements in each area audited if full population testing cannot be carried out.</p>	<p>These are key tools to complement the work of the IA team and their deployment is key to maintaining the effectiveness of the team. However, this is an action that should follow the development and implementation of the QAIP.</p>	<p>Following completion of the QAIP, the IAM to consider how these skills can be developed and implemented within the team.</p>	<p>To be completed by 31st December 2024.</p>		<p>Recommendation 1: Complete action by May 2024 review.</p> <p>Following BDO assessment a submission to be made to New Ideas process to enable investment in the appropriate skills/software.</p>

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16.	<p>Internal Audit to consider its approach to supporting the Assurance Board forward plan and Terms of Reference review in addition to supporting the CGC in areas such as;</p> <ul style="list-style-type: none"> • Statutory Compliance Framework • Health and Safety assurance • Best Interest Reports Lessons Learnt • Governance Stocktake; • Covid Review • Counter Fraud and Whistleblowing Strategy, Actions, Resources, Review of risks, • Strategic/Complex Partnerships/Collaborations review. 	<p>The IAM sits on the Assurance Board and is able to request items to be covered at the board. A forward planner for items to be discussed is being formulated and the opinion of the IAM should be sought as part of this.</p>	<p>No further action required.</p>	<p>Completed.</p>			<p>Action complete</p>
17.	<p>The Director of Finance and Corporate Resources and Internal Audit Manager to work together to formally appoint the outsourced IT audit provider so that assurance can be provided to support the opinion.</p>	<p>A tender was run, and a contract offered to the successful bidder. However, the provider declined the offer due to internal pressures on their side.</p> <p>The provider that was runner up to the tender has been approached.</p>	<p>To appoint the provider that was runner up, or to re-run the tender process.</p>	<p>Update to be provided to CGC at 12th July 2023 meeting.</p>	<p>Complete - contract signed and audit plan for IT areas assessed/ suggested, subject to agreement. 3 reviews are proposed for 2023/24 although ICT have stated they may not be able to accommodate.</p>		<p>Action complete</p>

New Recommendations, March 2024							
1	Accelerate the delivery of actions from the audit peer challenge in March 2023 to ensure all 17 are complete or on course to be completed by May 2024 when the corporate peer challenge takes place. Priority needs to be given to conducting the internal and external assessments.						See actions noted against the original peer challenge outcomes above.
2	<p>Provide immediate additional senior officer capacity and experience to the internal audit and risk functions to direct and oversee audit and risk development and actions.</p> <p>Alongside this;</p> <ul style="list-style-type: none"> <input type="checkbox"/> consider an options appraisal for future delivery of internal audit to ensure the council has the capacity, resilience and skills required. <input type="checkbox"/> review the content of internal audit reports to ensure they focus on core business, and other senior officer reports take responsibility for the wider items, such as the peer review action plan, governance developments and significant issues and updates. 						<p>The s151 Officer has committed considerable amounts of their time to direct Internal Audit & Risk Management. Significant progress has been made in resolving open actions and commissioning work.</p> <ul style="list-style-type: none"> • The recruitment process has commenced for a new Internal Audit Manager who will lead on delivering the outputs of the BDO review. • Internal Audit reports for 2024/25 will be refocussed to provide greater clarity and guidance.

							Reports to Committee no longer cover wider aspects of governance, these will be submitted as separate reports.
3	Evaluate the capacity and status of the monitoring officer against the needs of the council to ensure accountability and leadership of governance best practice and statutory compliance in accordance with LGIU and LLG recommendations on the Changing Role of the Monitoring Officer Changing Role of the MO Report. The post would also benefit from reporting to the head of paid service.						The Chief Executive is undertaking a review of Monitoring Officer capacity and their role in the organisation and is considering how to implement the necessary changes required.
4	<p>Following approval of new terms of reference for the Corporate Governance Committee (CGC) and a review of its membership;</p> <ul style="list-style-type: none"> <input type="checkbox"/> Conduct a skills audit to support the development of a programme of training and development for members <input type="checkbox"/> Ensure that a development plan is in place to increase the scores of the self-assessment <input type="checkbox"/> Should the model terms of reference be approved, the additional items covered 						The new ToR will be submitted to full Council for approval on 22 nd May. This includes a recommendation to reduce the committee membership to seven members plus up to two Independent Members. Outcomes of the recent skills audit will be shared with Group Leaders to inform their choices for proposed committee membership. A further,

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	by the CGC (standards, constitution and elections) need to be considered as to where these responsibilities should sit going forward.						more detailed, skills audit will be undertaken with the new committee to identify further training needs; training has already been organised for June to commence this process.
5	Review all governance, roles and responsibilities and working in a political environment training and development for officers as well as members. Then develop a four-year programme to include induction, role descriptions and ongoing support to increase knowledge and awareness.						Additional Officer and Member training has already commenced, and a programme of further training is being developed. The review of roles is being considered as part of the Monitoring Officer changes discussed in action 2.