

# DRAFT AGENDA

ID	2522
Committee	Pwyllgor Llywodraethiant ac Archwilio
Date	30/01/2023
Attendees	<p>Joanne Absalom (Cadeirydd)</p> <p>Councillor Sonia Behr (Is-gadeirydd)</p> <p>Councillor Jules Gardner (Aelod Pwyllgor)</p> <p>Cynghorwyr Wayne Hodgins (Aelod Pwyllgor)</p> <p>Councillor Chris Smith (Aelod Pwyllgor)</p> <p>Cynghorwyr Tommy Smith (Aelod Pwyllgor)</p> <p>Cynghorydd Joanna Wilkins (Aelod Pwyllgor)</p> <p>Martin Veale (Aelod Pwyllgor)</p> <p>Rhian Hayden (Swyddog)</p> <p>Louise Rosser (Swyddog)</p> <p>Bernadette Elias (Swyddog)</p> <p>Andrea Jones (Swyddog)</p> <p>Damien McCann (Swyddog)</p> <p>Tanya Evans (Swyddog)</p> <p>Andrea Owen (Swyddog)</p> <p>Steve Berry (Swyddog)</p> <p>Lynn Phillips (Swyddog)</p> <p>Sarah King (Swyddog)</p> <p>Gemma Wasley (Swyddog)</p> <p>Mike Jones (Public)</p> <p>Alice Rushby (Public)</p> <p>Gwasanaethau Democrataidd (Monitor)</p> <p>Leeann Turner (Secretary)</p> <p>Deborah Jones (Secretary)</p> <p>Pob Cynghorydd (Monitor)</p>

Item ID	6977
Item Title	Cyfieithu ar y Pryd
Summary	Mae croeso i chi ddefnyddio'r Gymraeg yn y cyfarfod, mae angen o leiaf 3 diwrnod gwaith o rybudd os dymunwch wneud hynny. Darperir gwasanaeth cyfieithu ar y pryd os gwneir cais am hynny.

Item ID	6978
Item Title	Ymddiheuriadau
Summary	Derbyn ymddiheuriadau.

Item ID	6979
Item Title	Datganiadau Buddiant a Goddefebau
Summary	Derbyn datganiadau buddiant a goddefebau.

Item ID	6980
Item Title	Pwyllgor Llywodraethiant ac Archwilio
Summary	Derbyn penderfyniadau'r Pwyllgor Llywodraethiant ac Archwilio a gynhaliwyd ar 16 Tachwedd 2022.  (Dylid nodi y cyflwynir y penderfyniadau er pwyntiau cywirdeb yn unig).

Item ID	6981
Item Title	Dalen Weithredu
Summary	Derbyn y Ddalen Weithredu yn deillio o'r cyfarfod a gynhaliwyd ar 16 Tachwedd 2022.

Item ID	7093
Item Title	Blaenraglen Gwaith 2022-23
Summary	Derbyn Blaenraglen Gwaith 2022-23.

Item ID	7094
Item Title	Adroddiad Cynnydd Archwiliad Mewnol
Summary	Ystyried adroddiad yr Arweinydd Proffesiynol – Archwilio Mewnol.

Item ID	7095
Item Title	Asesiad Ansawdd Allanol Gwasanaethau Archwilio Mewnol Blaenau Gwent
Summary	Ystyried adroddiad y Rheolwr Archwilio a Risg.

Item ID	7111
Item Title	Eitem Eithriedig
Comment	Derbyn ac ystyried yr adroddiad dilynol sydd ym marn y swyddog priodol yn eitem eithriedig gan roi ystyriaeth i'r prawf budd cyhoeddus ac y dylai'r wasg a'r cyhoedd gael eu heithrio o'r cyfarfod (mae'r rheswm dros y penderfyniad

	eithrio ar gael ar restr a gedwir gan y swyddog priodol).
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Item ID	7099
Item Title	Sefyllfa Blaenau Gwent yng nghyswllt Ymateb i Gwestiynau yn adroddiad Archwilio Cymru 'Dysgu o Ymosodiadau Seibr'
Summary	Ystyried adroddiad y Prif Swyddog Adnoddau a SIRO.

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**COUNTY BOROUGH OF BLAENAU GWENT**

**REPORT TO: THE CHAIR AND MEMBERS OF THE GOVERNANCE & AUDIT COMMITTEE**

**SUBJECT: GOVERNANCE & AUDIT COMMITTEE  
16<sup>TH</sup> NOVEMBER, 2022**

**REPORT OF: DEMOCRATIC & COMMITTEE SUPPORT OFFICER**

**PRESENT: MS JOANNE ABSALOM (CHAIR)**

Councillors S. Behr (Vice-Chair)  
J. Gardner  
W. Hodgins  
C. Smith  
T. Smith  
J. Wilkins  
Mr M. Veale

**WITH:** Chief Officer Resources  
Audit & Risk Manager  
Senior Finance Business Partner  
Professional Lead – Internal Audit  
Principal Accountant  
Assistant Accounting Technician  
Service Manager Policy & Partnerships  
Service Manager Registration, Elections and  
Corporate Complaints  
Team Leader - Housing Solutions  
Data Protection & Governance Officer

**AND:** Mike Jones - Audit Wales

**DECISIONS UNDER DELEGATED POWERS**

<b><u>ITEM</u></b>	<b><u>SUBJECT</u></b>	<b><u>ACTION</u></b>
<b>No. 1</b>	<b><u>SIMULTANEOUS TRANSLATION</u></b>	
	It was noted that no requests had been received for the	

	simultaneous translation service.	
<b>No. 2</b>	<p><b><u>APOLOGIES</u></b></p> <p>Apologies for absence were received from:-</p> <p>Mr T. Edwards Head of Democratic Services, Governance &amp; Partnerships Alice Rushby, Audit Wales</p>	
<b>No. 3</b>	<p><b><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></b></p> <p>There were no declarations of interests and dispensations reported.</p>	
<b>No. 4</b>	<p><b><u>GOVERNANCE &amp; AUDIT COMMITTEE</u></b></p> <p>The decisions of the Governance &amp; Audit Committee held on 21<sup>st</sup> September, 2022 were submitted.</p> <p>On a point of accuracy, the Chair reported a typing error on item 7 Action Sheet – 27<sup>th</sup> July, 2022. The date of the Governance &amp; Audit Committee should read 27<sup>th</sup> July, 2022 and not the 17<sup>th</sup> July, 2022.</p> <p>RESOLVED, subject to the foregoing, that the decisions be accepted as a true record of proceedings.</p>	
<b>No. 5</b>	<p><b><u>ACTION SHEET – 21<sup>ST</sup> SEPTEMBER, 2022</u></b></p> <p>The Action Sheet arising from the meeting held on 21<sup>st</sup> September, 2022 was submitted.</p> <p>RESOLVED that the Action sheet be noted.</p>	
<b>No. 6</b>	<p><b><u>SPECIAL GOVERNANCE &amp; AUDIT COMMITTEE</u></b></p> <p>The decisions of the Special Governance &amp; Audit Committee held on 20<sup>th</sup> October, 2022 were submitted.</p> <p>RESOLVED that the decisions be accepted as a true record of proceedings.</p>	

<b>No. 7</b>	<p><b><u>GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2022-23</u></b></p> <p>Consideration was given to report of the Scrutiny &amp; Democratic Officer.</p> <p>RESOLVED that the report be accepted and the Forward Work Programme for the Governance and Audit Committee be accepted. (Option 1)</p>	
<b>No. 8</b>	<p><b><u>INTERNAL AUDIT PROGRESS REPORT</u></b></p> <p>Consideration was given to the report of the Professional Lead Internal Audit.</p> <p>RESOLVED that the report be accepted and the Committee note the findings within the attached Appendices and notes progress on activities for the period 1<sup>st</sup> July 2022 to 30th September 2022.</p> <p>FURTHER RESOLVED that Exempt Appendix B2 and B4 be deferred until the next meeting and the relevant Officers be invited to attend the meeting.</p>	
<b>No. 9</b>	<p><b><u>ANNUAL UPDATE REPORT – USE OF POWERS UNDER THE REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000</u></b></p> <p>Consideration was given to the report of the Head of Legal and Corporate Compliance.</p> <p>RESOLVED that the report be accepted and the Governance and Audit Committee considered the information contained in the report and provided specific comment. (Option 2)</p>	
<b>No. 10</b>	<p><b><u>COMPLAINTS INFORMATION FOR QUARTER 1 AND QUARTER 2 – 2022/2023</u></b></p> <p>Consideration was given to the report of the Head of Legal &amp; Corporate Compliance.</p>	

	<p>RESOLVED that the report be accepted and the Committee sought further clarification on areas within the report and highlighted areas of interest or concern that needed to be considered in future monitoring and reporting of complaints. (Option 2)</p>	
<p><b>No. 11</b></p>	<p><b><u>DRAFT STATEMENT OF ACCOUNTS 2021/2022</u></b></p> <p>Consideration was given to the report of the Chief Officer Resources.</p> <p>RESOLVED that the report be accepted and the Governance &amp; Audit Committee received the Draft 2021/2022 Statement of Accounts for information, prior to the consideration for approval on completion of the financial audit, and considered the financial position of the Council as at 31 March 2022.</p>	



**Blaenau Gwent County Borough Council**

**Action Sheet**

**Governance & Audit Committee**

<b>Meeting Date</b>	<b>Action to be Taken</b>	<b>By Whom</b>	<b>Action Taken</b>
21 <sup>st</sup> Sept 2022	<u>Item 8 - Forward Work Programme</u>  A member requested that a mapping exercise be undertaken to ensure cross reference between the Terms of Reference and the Forward Work Programme.	Audit & Risk Manager	A mapping exercise is being undertaken the results of which will be forwarded to all committee members via a briefing note.  <b>Action complete: Ongoing</b>
16 <sup>th</sup> Nov 2022	<u>Item 7 – Forward Work Programme</u>  Members of the Committee to be included in any future training being arranged in relation to Treasury Management Activities.	Chief Officer Resources	Treasury Management training scheduled for 31st January.  <b>Action complete: Completed</b>

Meeting Date	Action to be Taken	By Whom	Action Taken
16 <sup>th</sup> Nov 2022	<p data-bbox="392 290 1043 325"><u>Item 8 – Internal Audit Progress Report</u></p> <p data-bbox="392 373 1037 496">Relevant Officers be invited to the next meeting of the Committee to consider exempt Appendix B2 and B4.</p>	Audit & Risk Manager	<p data-bbox="1382 373 2042 536">Officers have been advised that the Reports have both been re-submitted to the committee scheduled for January 2023.</p> <p data-bbox="1382 587 2054 667">The Exempt appendices have been sent under separate confidential cover.</p> <p data-bbox="1382 718 1888 753"><b>Action complete: Completed</b></p>

# Agenda Item 6

*Cabinet and Council only*

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Governance and Audit Committee**

Date of meeting: **30<sup>th</sup> January 2023**

Report Subject: **Forward Work Programme 2022-23**

Portfolio Holder: **Leader / Executive Member Corporate Overview and Performance**

Report Submitted by: **Scrutiny and Democratic Officer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
			30.01.23					

## 1. Purpose of the Report

1.1 To present the Forward Work Programme for 2022-23 (Appendix 1).

## 2. Scope and Background

- 2.1 The Work Programmes are key aspects of the Council's planning and governance arrangements and support the requirements of the Constitution.
- 2.2 The topics set out in the Forward Work Programme link to the strategic work of the Council as identified by the Council's Corporate Plan, agreed by the Council in July 2020, corporate documents and supporting business plans.
- 2.3 The Governance and Audit Committee Forward Work Programme is aligned to the Scrutiny Committee, Cabinet and Council Forward Work Programmes.
- 2.4 The Work Programme is a fluid document and there is flexibility to allow for regular review between the Chair and the Committee.

## 3. Options for Recommendation

3.1 The work programme has previously been agreed by the Committee.

### 3.2 Option 1

To accept the Forward Work Programme.

### Option 2

To suggest any amendments to the Forward Work Programme.

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## Governance and Audit Forward Work Programme

Topic	Purpose	Lead Officer
<b>Meeting Date: 11<sup>th</sup> July 2022</b>		
Code of Governance	To present the revised Code of Governance for the Council.	Louise Rosser
Strategic Internal Audit Plan 2021-2026	To provide Members with the strategic five-year Audit Plan for the period 2021-2026.	Louise Rosser
Internal Audit Outturn 2021/2022	To present the Internal Audit Outturn for 2021/22	Louise Rosser
Annual Report of the Audit and Risk Manager	To present the opinion of the Annual Opinion of the Audit & Risk Manager	Louise Rosser

<b>Special Meeting Date: 27<sup>th</sup> July 2022</b>		
Forward Work Programme 2022/23	To agree the FWP for 2022/23	Chair
Internal Audit Charter	To provide an updated copy of the Internal Audit Charter.	Louise Rosser
Audit Plan Progress Report (Qtr 1)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser
BGCBC – Annual Audit Summary	To present the Audit Wales Annual Audit Summary.	Sarah King
Audit Wales 2022 Audit Plan for BGCBC	To present the Audit Wales 2022 Audit Plan.	Rhian Hayden

<b>Meeting Date: 21<sup>st</sup> September 2022</b>		
Draft Annual Governance Statement	To present the draft Annual Governance Statement (AGS).	Louise Rosser
Quality Assurance and Improvement Programme	To present the Quality Assurance and Improvement Programme for Internal Audit Services	Louise Rosser
Governance and Audit Committee Terms of Reference	To present the Governance and Audit Committee Terms of Reference	Steve Berry
Annual Report of the Public Services Ombudsman for Wales 2020/21	To inform Members of the Council's performance with regard to complaints to the Public Services Ombudsman for Wales.	Andrea Jones

<b>Special Meeting Date: 20<sup>th</sup> October 2022</b>		
Annual Self-Assessment of Council Performance 2021/22 <b>To be published by 31<sup>st</sup> October each year</b>	To present the Annual Self-Assessment of Council performance.	Sarah King

## Governance and Audit Forward Work Programme

Topic	Purpose	Lead Officer
<b>Meeting Date: 16<sup>th</sup> November 2022</b>		
Audit Plan Progress Report (Qtr 2)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser
RIPA Activity	To report on authorised RIPA activity as per the Council's policy.	Andrea Jones
Complaints Report (Qtr1 & Qtr2)	To present the bi-annual report on Complaints as required by the Ombudsman	Andrea Jones
Draft Statement of Accounts 2021/22	To present for consideration the 2021/22 Draft Statement of Accounts and to consider the Authority's financial standing as at 31 March 2022.	Rhian Hayden

<b>Meeting Date: 30<sup>th</sup> January 2023</b>		
Audit Plan Progress report (Qtr 3)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser
External Quality Assessment	To report on the outcomes of the external quality assessment of Internal Audit	Louise Rosser

<b>Meeting Date: 8<sup>th</sup> March 2023</b>		
Statement of Accounts 2021/22	To present for approval the 2021/22 Statement of Accounts and to consider the Authority's financial standing as at 31 <sup>st</sup> March 2022.	Rhian Hayden
Audit of Financial Statements	To consider the report from the Council's External Auditors Wales Audit Office.	Rhian Hayden
Annual Governance Statement	To present the final Annual Governance Statement (AGS).	Louise Rosser
SRS Position Statement	To present a position statement on the partnership with the SRS	Bernadette Elias
Audit Wales - Learning from Cyber Attacks	To present the Audit Wales report.	Rhian Hayden
National Audit Wales Study – Time for Change – Poverty in Wales	To present the Audit Wales report.	Tanya Evans
Audit Wales - Springing Forward	To present the Audit Wales report.	CLT
Audit Wales – Safeguarding Follow Up	To present the Audit Wales report	Tanya Evans
Audit Wales – Assurance and Risk Assessment Review	To present the Audit Wales report	Damien McCann / Rhian Hayden / Sarah King
Estyn Feedback report	To present the Estyn report	Lynn Phillips
Corporate Risk Register / Risk Update	To update Members on the current corporate risk register	Louise Rosser

## Governance and Audit Forward Work Programme

Topic	Purpose	Lead Officer
<b>Meeting Date: 26<sup>th</sup> April 2023</b>		
Code of Governance	To present the revised Code of Governance for the Council.	Louise Rosser
Internal Audit Outturn 2022/2023	To present the Internal Audit Outturn for 2022/23	Louise Rosser
<b>Meeting Date: Dates to be arranged as necessary</b>		
Review of Governance and oversight arrangements of companies of which the Council has an interest	Following the audit Wales review of Silent Valley and subsequent recommendation, the following companies will be included within this report: Gwent Crematorium Gwent Archives EAS ALT	Sarah King
Audit Wales – Regenerating Town Centres	To present the Audit Wales report.	Ellie Fry
Audit Wales Reports		Various

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# Agenda Item 7

*Cabinet and Council only*

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance & Audit Committee**  
Date of meeting: **30th January 2023**  
Report Subject: **Internal Audit Progress Report**  
Portfolio Holder: **Cllr Steve Thomas – Leader / Executive Member for Corporate and Performance**  
Report Submitted by: **Andrea Owen Professional Lead - Internal Audit**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance & Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	19/01/2023		30/01/2023					

1. **Purpose of the Report**

The purpose of this report is to update the Governance & Audit Committee on the progress against the Internal Audit Plan for the period 1<sup>st</sup> October to 31<sup>st</sup> December 2022.
2. **Scope and Background**
  - 2.1 The report highlights the work undertaken by the Internal Audit Service and complies with the Public Sector Internal Audit Standards (PSIAS).
  - 2.2 The Internal Audit Plan has been compiled based upon Risk Assessments whereby each potential audit area is scored using a risk matrix. The scoring matrix uses a set of criteria relating to the audit risks, the Authority's objectives and the views of Senior Managers.
  - 2.3 The audit work allocated to staff for the period October to December 2022 is based on the outcomes of the Risk Assessment exercise. This approach allows flexibility in the audit plan and can accommodate an individual auditor's experience and skill set when allocating audits.
3. **Options for Recommendation**
  - 3.1 The Governance & Audit Committee consider the report and findings within the attached Appendices, notes the progress on activities for the period 1<sup>st</sup> October to 31<sup>st</sup> December 2022, providing appropriate challenge where relevant.
4. **Evidence of how this topic support the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
  - 4.1 In line with the Corporate Plan Priority of an ambitious and innovative council delivering quality services at the right time and in the right place, presentation of the Internal Audit progress report demonstrates the breadth and depth of the audit coverage of the Council's systems and internal controls. In doing this it also enables the Chief Officer – Resources to satisfy her statutory duties under Section 151 of the Local Government Act (1972) in providing an effective Internal Audit Service.

4.2 The Governance & Audit Committee, in their role as those responsible for governance, and in compliance with the PSIAS, have a responsibility to oversee the performance of the Internal Audit function including receiving a summary of the work upon which the Audit and Risk Manager will base her annual audit opinion.

## 5. **Implications Against Each Option**

### 5.1 Impact on Budget (short and long term impact)

There are no direct financial implications resulting from this report.

### 5.2 Risk including Mitigating Actions

The report demonstrates the breadth and depth of audit coverage to provide assurance that key areas of concern and areas deemed to have the highest risk priority are being examined during the financial year. Failure to cover sufficient audit areas exposes the Authority to the risk that weaknesses within specific systems in the Authority's internal control environment are not being identified, resulting in increased financial or reputational damage. This is mitigated by regular review of progress and reprioritisation as appropriate.

### 5.3 Legal

Provision of an adequate audit service, demonstrated in part through the production of a suitable audit plan, contributes to the Section 151 officer being able to fulfil her statutory duties under the Local Government Act (1972).

### 5.4 Human Resources

The section currently has a complement of six full time posts. This includes a newly appointed Senior Auditor (appointed September 2022) and an Audit Apprentice (appointed October 2022).

5.4.1 The section's sickness for the period 1<sup>st</sup> October to 31<sup>st</sup> December 2022 is an average of 0 days per person against a directorate target of 7 days per person.

## 6. **Supporting Evidence**

### 6.1 Performance Information and Data

Activities during the period 1<sup>st</sup> October to 31<sup>st</sup> December 2022 are set out in Appendix A attached. The format shows a summary of findings from audit reports produced in the period, including a formal audit opinion where appropriate. Where individual audits are graded as Limited Assurance, or No Assurance an Internal Audit report is presented at Appendix B1.

6.1.1 Performance data for the Section for the period to 31<sup>st</sup> December 2022 is presented at Appendix C. The grading's issued during the period and percentage coverage for each department is shown at Appendix D and E.

- 6.1.2 All local performance indicators are being achieved with the exception of the percentage of audit plan completed. The Internal Audit Service completed 51.24% of the audit plan against a target of 54.75%. This has been impacted by staff turnover during the financial year.
- 6.2 Expected outcome for the public  
An effective Internal Audit Service and Governance & Audit Committee will assist with the stewardship of public money providing assurance to the communities of Blaenau Gwent on the robustness of the Authority's internal controls.
- 6.3 Involvement (consultation, engagement, participation)  
Prior engagement has been undertaken with Heads of Services when determining the risk assessments for the audit plan.
- 6.4 Thinking for the Long term (forward planning)  
The work of Internal Audit is intended to provide advice and guidance on system improvements resulting in an improved control environment for the future of the Authority.
- 6.5 Preventative focus  
Internal Audit provides a cost effective and professional Audit review of the Authority's internal control environment with the aim of minimising the risk of loss from error, fraud, or irregularities.
- 6.6 Collaboration / partnership working  
There are no collaboration / partnership working arrangements arising from this report.
- 6.7 Integration (across service areas)  
The audit plan is developed with a view to providing assurance on the whole of the Authority's control environment. Audit assignments are conducted for a range of activities across all directorates in order for the Audit and Risk Manager to provide an annual audit opinion that an adequate internal audit service has been provided.
- 6.8 Decarbonisation and Reducing Carbon Emissions.  
No impact for this report.
- 6.9 Integrated Impact Assessment  
No impact assessment is required for this report.

## 7. **Monitoring Arrangements**

- 7.1 Internal Audit reports are presented to the Governance & Audit Committee as part of the progress report. Where audit assignments have been graded as Limited Assurance or No Assurance, the Internal Audit Report will be provided as appendices for Members' consideration.

- 7.2 Performance data for the Section is periodically presented to members as part of the ongoing progress reports.
- 7.3 The levels of audit coverage and the grading's of individual audits will inform the annual opinion of the Audit and Risk Manager and supports the Governance & Audit Committee in fulfilling its assurance role to the citizens of Blaenau Gwent.

**Background Documents /Electronic Links**

- Appendix A - Audit activities for the period October to December 2022.
- Appendix B1 - Internal Audit Report.
- Appendix C - Performance Indicators 2022/23.
- Appendix D - Grading's issued for the period October to December 2022.
- Appendix E - Percentage coverage for each department.

**Appendix A - Internal Audit Progress for the period to 1st September to the 31st December 2022.**

Directorate	Service Area	Audit Area	Audit Scope	Grading	Progress / Comments
Commercial	Commercial, Property & Information Governance	Purchase Card Scheme	To determine the effectiveness of the internal controls operating within the Purchase Card Scheme.	Not Yet Determined	A review commenced in September 2022. Audit report being prepared.
	Customer Services	Isolation Payments C/fwd	To determine the effectiveness of the internal controls operating in respect of the processes undertaken for Isolation Payments as part of the Covid pandemic response.	Reasonable Assurance	Final report issued in December 2022. Three weaknesses were identified. The Manager has agreed appropriate actions to mitigate all weaknesses identified.
Education	Education Transformation	CRSA Schools (Annual Audit)	Internal Audit review of the Control Risk Self Assessment (CRSA) programme issued to all schools.	Reasonable Assurance	The CRSA Final Report was issued in December 2022. The Report is to be disseminated to all schools and for each Headteacher to provide assurance that their own internal controls are robust.
		School System - Governing Body Minutes	To determine the effectiveness of the internal controls operating in respect of the Governing Body Minutes in schools, as identified as part of the Control Risk Self Assessment school system process.	Not Yet Determined	A review commenced in July 2022. Audit report being reviewed.
		School systems - ICT	To determine the effectiveness of the internal controls operating in respect of the ICT system passwords in schools, as identified as part of the Control Risk Self Assessment process.	Not Yet Determined	A review commenced in September 2022. Audit report being reviewed.
General	General Audit Areas	Contract Audit - <£75k	To determine the effectiveness of the internal controls operating in respect of Contract Compliance for a sample of Contracts valued at less than £75,000.	Full Assurance	Final report issued in December 2022. 1 weakness was identified classified as medium risk. The manager has agreed an appropriate action to mitigate the weakness identified.
Governance and Partnerships	Partnership and Policy	Contract Compliance C/fwd	To determine the effectiveness of the internal controls operating in respect of Contract Compliance for a sample of Contracts awarded.	Not Yet Determined	A review commenced in February 2022. Audit report being prepared.
		Local Government and Elections Act	To determine the effectiveness of the internal controls operating in respect of the Local Government and Election Act.	Not Yet Determined	A review commenced in November 2022. Audit testing ongoing.
Legal and Corporate Compliance	Commercial, Property & Information Governance	Information Management	To determine the effectiveness of the internal controls operating in respect of Information Management.	Not Yet Determined	A review commenced in December 2022. Audit planning ongoing.
	Corporate Services & Registration	Registrars Service Review	To undertake a service review of the Registrars systems and operations with a review to streamline processes and provide efficiencies for the Authority.	Reasonable Assurance	Final report issued in December 2022. Three weaknesses were identified. The Manager has agreed appropriate actions to mitigate all weaknesses identified.
		Exit Interview Follow Up	Follow up review to determine the action taken on the weaknesses made as a result of the audit.	Not Applicable	A review commenced in December 2022. Audit planning ongoing.
Regeneration and Community Services	Community Services - Public Protection	School Catering	To determine the effectiveness of the internal controls operating within School Catering.	Not Yet Determined	A review commenced in September 2022. Audit report being reviewed.
		Disabled Facility Grants	To determine the effectiveness of the internal controls operating in respect of Disabled Facility Grants.	Not Yet Determined	A review commenced in November 2022. Audit testing ongoing.
		Homelessness (Housing Options)	To determine the effectiveness of the internal controls operating within Housing Options and Temporary Accommodation.	Not Yet Determined	A review commenced in June 2022. Audit report being reviewed.
		Home to School Transport	To determine the effectiveness of the internal controls operating in respect of the Home to School Transport process.	Not Yet Determined	A review commenced in July 2021. Audit testing is ongoing.
		Trading Standards Covid Enforcement	To determine the effectiveness of the internal controls operating in respect of the processes undertaken as part of the Covid pandemic and Trading Standards enforcement.	Full Assurance	Final report issued in December 2022. No weaknesses were identified.
Resources	Financial Services	Charity Accounts - Bedwelty House and Park	Independent audit review to provide an annual return for the charity as prescribed by the Charity Commission.	Full Assurance	Final report issued in December 2022. No weaknesses were identified.
		Debtors Thematic, inc domiciliary care	To undertake a thematic review of the internal controls within the systems and processes involved in the Debtors Finance.	Not Yet Determined	A review commenced in May 2022. Audit planning ongoing.
		Charity Accounts - Ebbw Vale Recreation Ground	Independent audit review to provide an annual return for the charity as prescribed by the Charity Commission.	Full Assurance	Final report issued in December 2022. No weaknesses were identified.
		Petty Cash	To determine the effectiveness of the internal controls operating in respect of Petty Cash Accounts.	Not Yet Determined	A review commenced in December 2022. Audit planning ongoing.
		Cost of Living Grant	Internal Audit review to ensure compliance with the grant terms and conditions in respect of the Cost of Living Grant.	Not Yet Determined	A review commenced in December 2022. Audit planning ongoing.
Social Services		Social Services Overtime review	To undertake a review of the administration process in respect of Social Services Homecare overtime payments and consolidated timesheets submitted to Payroll.	Not Yet Determined	A review commenced in November 2021. Audit report being prepared.
	Children Services - Safeguarding & 14+	Safeguarding - Corporate	To determine the effectiveness of the internal controls operating in respect of Safeguarding with specific regard to the response made to the recommendations of Audit Wales.	Limited Assurance	Final report issued in December 2022. 10 weaknesses were identified of which 7 were classified as high risk, 2 were classified as medium risk and 1 was low risk. The Corporate Safeguarding Leads have agreed appropriate actions to mitigate the weaknesses identified. The Final Report is attached at Appendix B1
		Safeguarding - WSP	To determine the effectiveness of the internal controls operating in respect of Safeguarding with specific regard to the compliance with the Wales Safeguarding Procedures.	Reasonable Assurance	Final report issued in December 2022. 9 weaknesses were identified. The Manager has agreed appropriate actions to mitigate all weaknesses identified.
		Childrens' External Placements/Fostering (Residential)	To determine the effectiveness of the internal controls operating in respect of Childrens External Residential Placements.	Not Yet Determined	A review commenced in December 2022. Audit planning ongoing.

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## **INTERNAL AUDIT REPORT**

### **SYSTEMS AUDIT – CORPORATE SAFEGUARDING**

#### **1. INTRODUCTION/OBJECTIVES**

- 1.1. The objective of the Audit was to conduct a review of the systems in place, report upon the soundness and adequacy of the internal controls, and ensure compliance with any relevant statutory requirements and regulations in line with the Audit Plan for 2021/22.
- 1.2. This report includes an Audit Opinion and a Risk Rating Category, further details of which are contained in Appendix A.

#### **2. SCOPE OF THE AUDIT**

- 2.1. The scope of the audit was to determine the effectiveness of the internal controls utilised within the Council's undertaking of its safeguarding responsibilities with specific regard to the Council's actions taken in response to the recommendations made by Audit Wales in its 'Follow-up review of the Corporate Arrangements for the Safeguarding of Children'.
- 2.2. The audit involved confirming the current procedures with relevant staff and reviewing relevant documentation

#### **3. BACKGROUND**

- 3.1. The Council has committed to ensuring that everyone living within Blaenau Gwent is safe and protected, and the Council has statutory responsibilities to safeguard children, young people and adults at risk.
- 3.2. The responsibility to safeguard children and adults at risk from abuse is shared by everyone involved with the Council, both corporately and individually. All Council employees, Elected Members, volunteers and contractors who come into contact with children or adults at risk in the course of their duties are expected to understand their responsibility and wherever necessary, to take action to safeguard and promote their welfare.
- 3.3. The Authority has a Corporate Safeguarding Policy in place which covers all Council employees, Elected Members, volunteers and contractors. The policy covers the responsibilities of the parties involved and ensures that they are aware of their duties. The Policy reminds the parties that 'it is not the responsibility of any Council employee, Elected Member, volunteer or provider of services to investigate and determine whether abuse or neglect is actually taking place. However, it is the responsibility of the employee, Elected Member, volunteer or contractor to take the actions set out within the Policy if they are concerned that abuse or neglect may be taking place'.

#### **4. AUDIT FINDINGS AND WEAKNESSES**

- 4.1. The findings and weaknesses below are in order of risk, with the first being the highest risk.
- 4.2. The Corporate Safeguarding Policy that was approved and in place at the time of the audit was reviewed and it was evident that it was formally approved in 2017 and pre-dated the follow-up review that was completed by Audit Wales. It was therefore evident that the Policy was out of date and had not been updated in order to satisfy previous Audit Wales recommendations.

- 4.3. It was evident during the audit that a new Corporate Safeguarding Policy had been drafted however this had not yet been formally adopted by the Authority. A review of the Draft Policy identified that it had been updated to make reference to specific job titles and roles, including the roles of Designated Safeguarding Leads. Enquiries undertaken during the review identified that the Designated Safeguarding Leads and their appropriate deputies had not yet been allocated across all departments.
- 4.4. A review was undertaken of the Authority's Intranet to identify all locations and content of pages related to the topic of safeguarding. The review identified that there were a variety of locations and sources for safeguarding content within the Intranet pages, this included material produced by Adult and Children Services of Social Services and the Education Directorate. It was evident that there were a number of documents available that were out of date and had been superseded or should have been reviewed and updated. It was also evident that the lack of organisation of the safeguarding information could lead to difficulty in locating the current Corporate Safeguarding Policy.
- 4.5. The previous Audit Wales recommendation included reference to contractors and a requirement for them to be provided copy of the Corporate Safeguarding Policy prior to them commencing work in order for them to understand safeguarding roles, responsibilities and procedures. During the audit it was confirmed that the process to include the Corporate Safeguarding Policy within the general selection stage of an Invitation to Tender (ITT) which would be used to complete the contract award process, has not yet been implemented as the Corporate Safeguarding Policy has not been updated and formally adopted. It was however confirmed that safeguarding issues are considered on a project by project basis and included within the individual service specifications.
- 4.6. The Manager's Guide in respect of 'Volunteers in the Workplace' was reviewed during the audit and it was identified that there was a lack of a requirement within the guide for the collation of any kind of volunteer information centrally resulting in the inability for there to be appropriate oversight over all volunteer positions within the Authority. Therefore, it is not possible to determine that appropriate controls have been maintained in respect of determining a volunteer position's eligibility and completing a DBS check where appropriate.
- 4.7. It was confirmed during the audit, in respect of contractors, safeguarding requirements were dealt with on a project by project basis and included within the individual service specifications. It was not evident during the audit that safeguarding information, including the DBS requirements and compliance checks completed, was compiled in a centralised manner that would allow oversight over the process.
- 4.8. The Directorate-level Risk Registers of the Authority were reviewed during the audit and it was evident that safeguarding had not been included as a risk within any of the Risk Registers other than those maintained in respect of the Social Services Directorate and the Education Directorate.
- 4.9. The Draft Policy was reviewed and it was evident that it had not been updated from the current Corporate Safeguarding Policy in order to define the role of Internal Audit and the Governance and Audit Committee in relation to assuring effective operation and governance of safeguarding arrangements.
- 4.10. The Draft Policy was reviewed, and it was confirmed that it did not contain a diagram that provided an overview of the alignment of governance arrangements for Safeguarding within the Authority as formed part of a previous Audit Wales recommendation.



- 4.11. The Draft Policy was reviewed in order to determine whether the roles and responsibilities of relevant Scrutiny Committees had been identified as per part of a previous Audit Wales recommendation. It was identified that there was no specific section detailing the role of Scrutiny Committees however they are referenced within the roles and responsibilities of the individual officers, and the reports that they will receive. Similar references were already included in the current version of the policy from which the Audit Wales recommendation arose, therefore there hasn't been any further action on this recommendation for further strengthening its arrangements.

5. **RISKS AND AGREED ACTIONS**

Ref	Summary of Findings	Risk	Agreed Action	Client Management Comments	Person Responsible and Target Date
4.2.	The Corporate Safeguarding Policy had not been updated and approved by appropriate committee in order satisfy the Audit Wales recommendations.	High – Policy is out of date and does not satisfy requirements.	The Corporate Safeguarding Policy has been updated and approved by Committee. It has been advertised to employees and Members and is available on the Council’s Intranet and website.		Social Services SLT.  Complete.
4.3.	Specific roles, such as the Designated Safeguarding Leads and their deputies, had not yet been allocated and therefore their roles and responsibilities are not currently being fulfilled as intended.	High – Responsibilities cannot be fulfilled without officers designated into specific roles as prescribed by the policy.  Safeguarding responsibilities may not be completed.	Specific safeguarding roles have been designated to employees across the Council and specific training has been provided to allow them to fulfil their duties.		Corporate Safeguarding Leads.  Complete.
4.4.	The Intranet contained out of date safeguarding content making it difficult to identify relevant and up to date safeguarding information and locate	High – Employees and other relevant parties may be unable to locate appropriate safeguarding information and guidance including the Corporate Safeguarding Policy.	The Intranet has been updated and the relevant safeguarding information has been located in a prominent position from the homepage. The updated Corporate Safeguarding Policy is readily available on the Intranet.		Social Services SLT.  Complete.

	the current Corporate Safeguarding Policy.				
4.5.	The Corporate Safeguarding Policy had not been included as a standard item provided to contractors before their undertaking of work, instead being considered on a project-by-project basis.	High – Contractors may not be informed of their safeguarding responsibilities whilst delivering services on behalf of the Authority and therefore unable to operate in accordance with the appropriate procedures.	The Corporate Safeguarding Policy to be included as a standard item for contractors undertaking roles on behalf of the Council.		Contracting departments/ supported by the Corporate Procurement Team.  Ongoing
4.6.	Oversight over the volunteer DBS process was not possible with the current policy procedures.	High – There may be a lack of evidence available to provide assurance that appropriate DBS procedures are in place for volunteers within the Authority.	A corporate volunteer register is being introduced and all departments will be responsible for collating information for their respective departments. DBS compliance information can then be compiled where relevant.		Corporate Safeguarding Leads.  Complete/ Ongoing.
4.7.	Oversight over the contractor DBS process was not possible with the current procedures in place.	High – There may be a lack of evidence available to provide assurance that appropriate DBS procedures are in place for contractors of the Authority.	Contracting managers to maintain evidence of DBS verification processes undertaken with contractors and share this centrally for inclusion in performance reporting.		Corporate Safeguarding Leads.  Ongoing

4.8.	Safeguarding had not been included as risks within the Directorate-level Risk Registers of any Directorates other than Social Services and Education.	High – Safeguarding risks may not be recognised and managed appropriately if they are not formally recognised within a Risk Registers of other Directorates.	Safeguarding risks to be considered and included on the Directorate-Level Risk Registers.		Individual Directorates.  Upon Risk Register updates.
4.9.	The Corporate Safeguarding Policy had not been updated in order to define the role of internal audit and the Governance and Audit Committee in relation to assuring effective operation and governance of safeguarding arrangements.	Medium – Internal Audit and the Governance and Audit Committee do not have a defined role in ensuring the Authority’s safeguarding responsibilities are being achieved.	Roles of internal audit and the Governance & Audit Committee to be further refined in the Corporate Safeguarding process.		Corporate Safeguarding Leads.  Ongoing
4.10.	A schematic of the governance structure in place and responsible for safeguarding was not included within the draft Corporate Safeguarding Policy.	Low – Increased difficulty for the user of the Policy to understand the governance structure in respect of safeguarding.	A graphical representation of the governance of safeguarding has been added as an appendix to the Corporate Safeguarding Policy.		Corporate Safeguarding Leads.  Complete.

4.11.	The draft Corporate Safeguarding Policy did not include specific detail in respect of the role of Scrutiny Committees to the safeguarding process.	Low – Scrutiny Committees do not have a defined role in ensuring the Authority’s safeguarding responsibilities are being achieved.	The role of Scrutiny Committees to be refined within the Corporate Safeguarding Policy.		Corporate Safeguarding Leads.  Ongoing
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**6. CONCLUSIONS**

- 6.1. The audit report is on an exception basis. Consequently, the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore, reliance is placed in part on the information and explanations provided by the appropriate officers.

**7. INTERNAL CONTROL STANDARD GRADING**

- |   |
|---|
| <p>7.1. In accordance with the standard gradings set out in Appendix A, the systems examined indicate that the internal controls operated in respect of the provision of safeguarding responsibilities with specific regard to the Council’s actions taken in response to the recommendations made by Audit Wales are not operating as effectively as intended, control weaknesses have been identified that require appropriate action. Therefore, the grading is assessed as ‘<b><u>Limited Assurance</u></b>’.</p> |
|---|

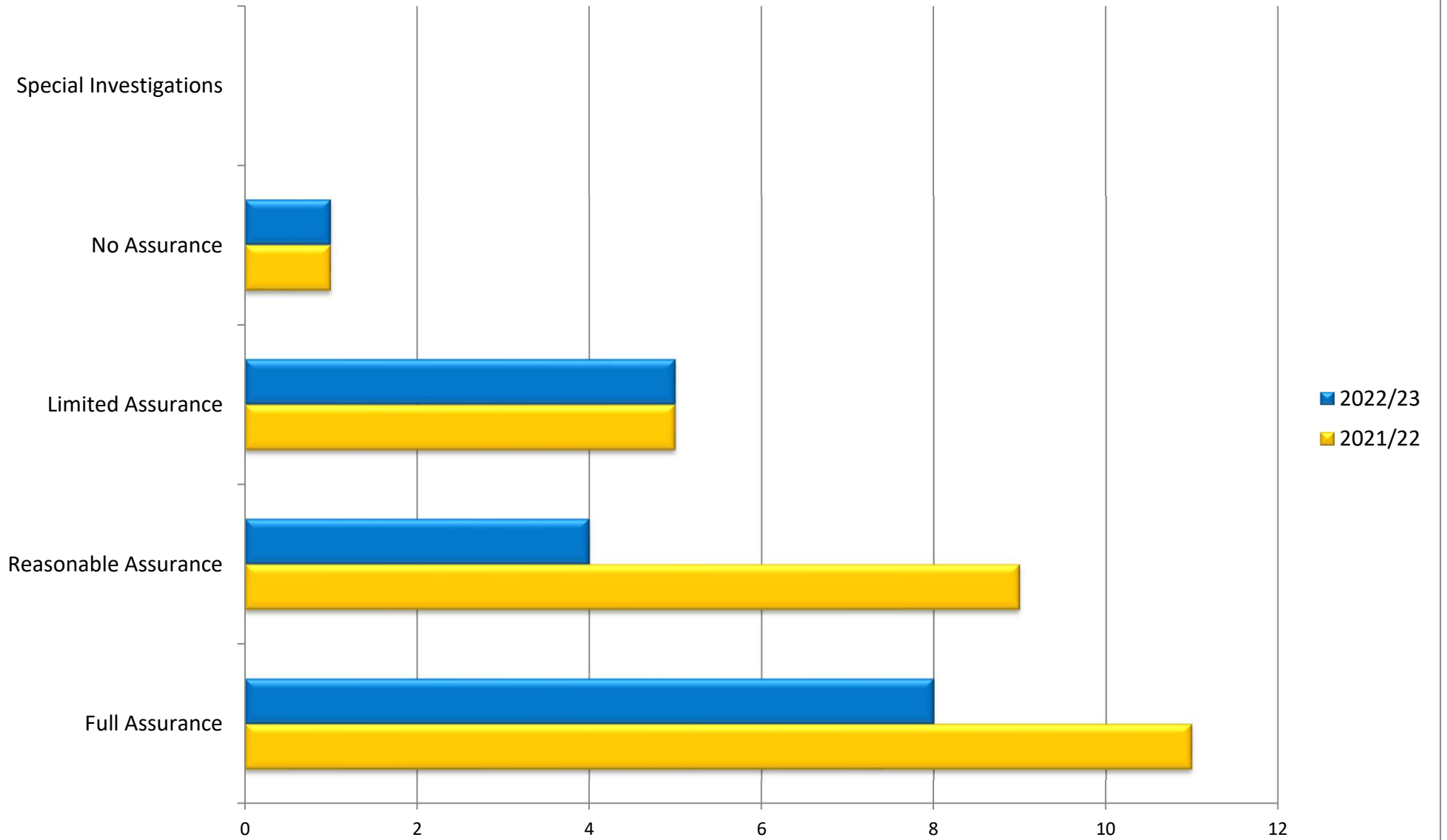
INTERNAL AUDIT SECTIONPERFORMANCE INDICATORS 2022/23

	Performance Indicator	2020/21 Target	2020/21 Actual	2021/22 Target	2021/22 Actual	2022/23 Target	2022/23 Actual	RAG Rating
Local PI	Audit Plan Completion %	N/A	N/A	70%	70.74%	73% 54.75%	51.24%	Amber
Local PI	% of Agreed Actions for Weaknesses Identified	90%	99%	90%	100%	90%	100%	Green
Local PI	% of Agreed Actions completed after 6 months	80%	91%	80%	90%	80%	100%	Green
Local PI	% of Audit Clients at least "satisfied" with the service	95%	100%	95%	100%	95%	100%	Green
Local PI	Average number of days taken to issue Final Reports	5 days	2.42 days	5 days	5.17 days	5 days	4.68 days	Green
Local PI	% of Audits completed within time allocated	75%	87%	75%	90%	75%	94%	Green
Local PI	% of Performance Reviews undertaken within previous 12 months	100%	100%	100%	100%	100%	100%	Green
Local PI	Average number of sick days per person (cumulative average)	6 days	6.67 days	8 days	0.83 days	7 days	0 days	Green

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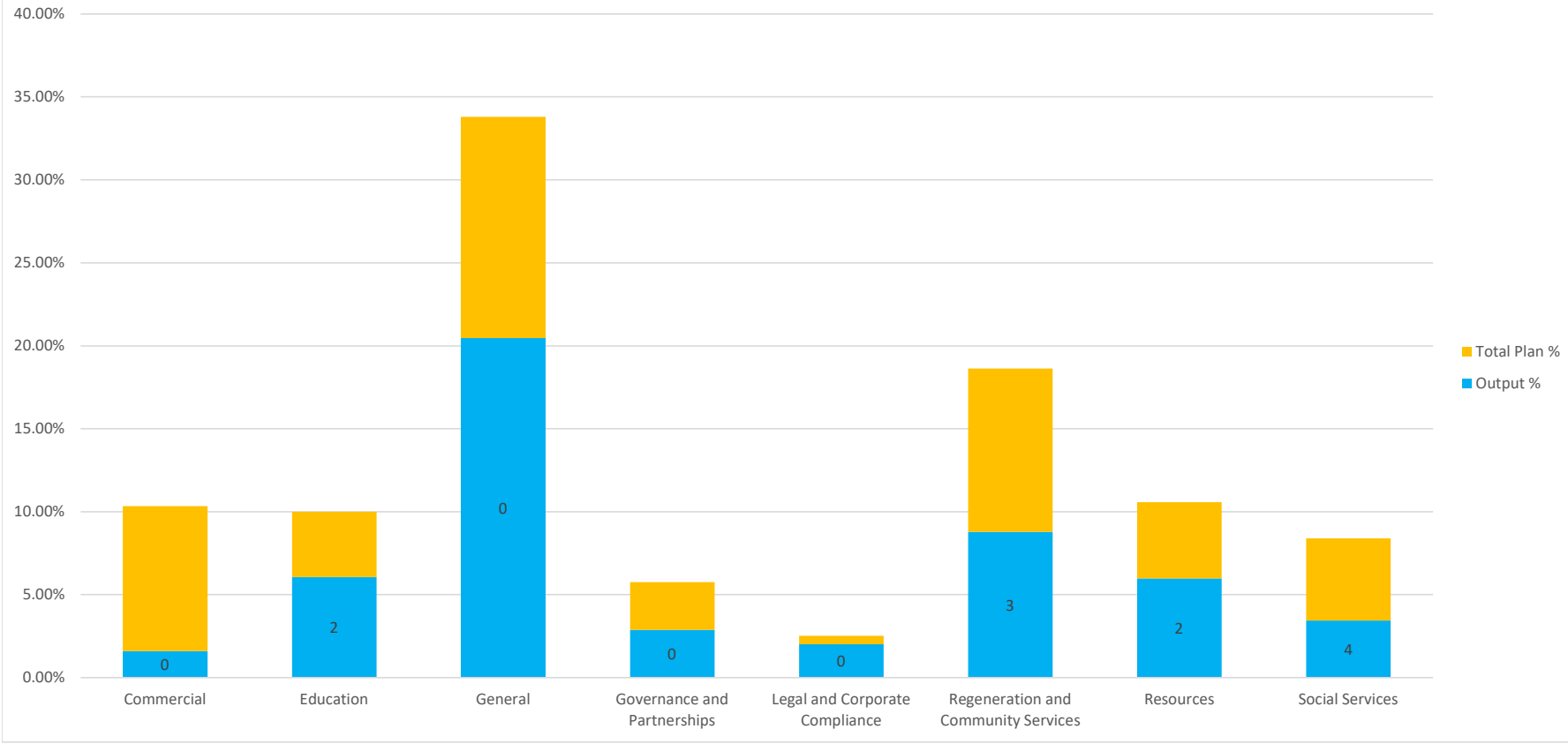


# Audit Gradings 2021/22 & 2022/23 As at 31st December



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### Audit Coverage by Department 2022/23



Department	Total Department %	Target %	Output %	Completed Audit Areas
Commercial	10.34%	5.66%	1.61%	0
Education	10.00%	5.48%	6.06%	2
General	33.79%	18.50%	20.46%	0
Governance and Partnerships	5.75%	3.15%	2.87%	0
Legal and Corporate Compliance	2.53%	1.38%	2.01%	0
Regeneration and Community Services	18.62%	10.19%	8.79%	3
Resources	10.57%	5.79%	5.98%	2
Social Services	8.39%	4.59%	3.45%	4
<b>Total</b>	<b>100.00%</b>	<b>54.75%</b>	<b>51.24%</b>	<b>11</b>

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# Agenda Item 8

*Cabinet and Council only*

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance & Audit Committee**

Date of meeting: **30th January 2023**

Report Subject: **External Quality Assessment of Blaenau Gwent  
Internal Audit Services**

Portfolio Holder: **Cllr Steve Thomas – Leader / Executive Member for  
Corporate and Performance**

Report Submitted by: **Louise Rosser – Audit and Risk Manager**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance & Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	19/01/2023		30/01/2023					

## 1. Purpose of the Report

The purpose of this report is to present to the Governance & Audit Committee the outcome of the External Quality Assessment of the Internal Audit Service.

## 2. Scope and Background

- 2.1 The Internal Audit Service work in accordance with the Public Sector Internal Audit Standards (PSIAS). The standards ensure an internal audit service that is effective, meets the needs of an organisation, adds value and assists the organisation in meeting its objectives.
- 2.2 As part of the standards, there is a requirement for the service to undergo an external assessment at least once every five years. The assessment is to be conducted by a suitably qualified, independent assessor from outside of the organisation.
- 2.3 The assessment is intended to demonstrate competence in professional practice of internal audit and to identify opportunities for development, to enhance the internal audit function.
- 2.4 The standards propose a choice of two approaches for undertaking the assessment. The assessment can be conducted either by procuring a full assessment from a contractor, or by undertaking a self-assessment which is then validated by an external reviewer.
- 2.5 Blaenau Gwent have taken the second option and are part of a peer review framework arranged by the Welsh Chief Auditors Group. This arrangement involves pairing authorities to review each other's self-assessment with no additional cost to the authority other than the officer time involved. Authorities are rotated, and do not undertake the assessment of their 'partner' to ensure independence.

2.6 When the authority first underwent a review five years ago, the estimated cost of an external contractor was at least £10,000. This option was not considered on this occasion due to the cost and the success of the previous arrangement.

2.7 Blaenau Gwent's assessment has been conducted by the Principal Auditor for Carmarthenshire County Council, and Blaenau Gwent's Audit and Risk Manager will conduct an assessment for the City of Swansea Council.

### 3. **Options for Recommendation**

3.1 The Governance & Audit Committee consider the draft External Quality Assessment Report attached at Appendix A and the proposed action plan developed in response to the findings, attached at Appendix B, and either:

- (1) Agree that the report reflects their understanding of the Internal Audit Service, and that the proposed action plan is agreed and forwarded to Carmarthenshire to finalise the report; or
- (2) Propose amendments to the report / action plan, and that the amended documents are forwarded to Carmarthenshire to finalise the report.

### 4. **Evidence of how this topic support the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 In line with the Corporate Plan Priority of an ambitious and innovative council delivering quality services at the right time and in the right place, presentation of the Internal Audit External Quality Assessment demonstrates the professionalism and competency of the service. In doing this it also supports the Chief Officer – Resources in satisfying her statutory duties under Section 151 of the Local Government Act (1972) in providing an effective Internal Audit Service.

4.2 The Governance & Audit Committee, in their role as those responsible for governance, and in compliance with the PSIAS, have a responsibility to oversee the performance of the Internal Audit function. The External Quality Assessment provides an external independent view of the performance of the service for Committee's consideration.

### 5. **Implications Against Each Option**

#### 5.1 Impact on Budget (short- and long-term impact)

The External Quality Assessment using the peer review method does not have any financial implications other than officer time.

#### 5.2 Risk including Mitigating Actions

Failure to address any non-compliance issues identified in the report is a missed opportunity to improve the service.

- 5.3 Legal  
Provision of an adequate audit service, demonstrated in part through an External Quality Assessment, contributes to the Section 151 officer being able to fulfil her statutory duties under the Local Government Act (1972).
- 5.4 Human Resources  
The External Quality Assessment involves the investment of officer time. The commitment is met from existing resources.
6. **Supporting Evidence**
- 6.1 Performance Information and Data  
There are three levels of conformance resulting from the assessment: 'Generally Conforms', 'Partially Conforms' and 'Does not conform'.
- 6.1.1 From the 304 best practice requirements within the PSIAS, it was found that Blaenau Gwent conforms to 267 of them, a further 30 are considered not applicable, 6 have partial conformance and 1 is a non-conformance.
- 6.1.2 This compares favourably to the previous results from 2017 where the Authority had 2 partial conformances and 10 non-conformances.
- 6.1.3 The action sheet attached to the draft External Quality Assessment report shows the partial and non-conformances along with the proposed actions to redress them.
- 6.1.4 A further appendix to the assessment report provides recommendations where Blaenau Gwent is considered to already conform with the standard but could further enhance the service.
- 6.2 Expected outcome for the public  
An effective Internal Audit Service and Governance & Audit Committee will assist with the stewardship of public money providing assurance to the communities of Blaenau Gwent on the robustness of the Authority's internal controls.
- 6.3 Involvement (consultation, engagement, participation)  
The External Quality Assessment has involved the validation of the self-assessment provided by the Audit and Risk Manager and supporting evidence. Discussions were held with audit staff and the Chair of the Governance and Audit Committee.
- 6.4 Thinking for the Long term (forward planning)  
The work of Internal Audit is intended to provide advice and guidance on system improvements resulting in an improved control environment for the future of the Authority.

- 6.5 Preventative focus  
Internal Audit provides a cost effective and professional Audit review of the Authority's internal control environment with the aim of minimising the risk of loss from error, fraud, or irregularities.
- 6.6 Collaboration / partnership working  
The Welsh Chief Auditors Group has set up a framework to facilitate peer review of self-assessments to satisfy the requirement for an External Quality Assessment in line with the PSIAS. This is a reciprocal arrangement between participating authorities.
- 6.7 Integration (across service areas)  
No impact for this report.
- 6.8 Decarbonisation and Reducing Carbon Emissions.  
No impact for this report.
- 6.9 Integrated Impact Assessment  
No impact assessment is required for this report.

## 7. **Monitoring Arrangements**

- 7.1 The agreed action plan will be implemented in line with the defined timescales.

### **Background Documents /Electronic Links**

- Appendix A – External Quality Assessment
- Appendix B – Action Plan





Carmarthenshire County Council  
Internal Audit Report

**Public Sector Internal Audit Standards (PSIAS)**

**External Assessment of  
Blaenau Gwent Council's Internal Audit Service**

**Welsh Chief Internal Auditor Group**

**WCIAG**

Date of Assessment Fieldwork	May 2022 – November 2022
Date of Report Issue	19 <sup>th</sup> December 2022
Report Status	Draft Report
Report Author	Caroline Powell, Principal Auditor Carmarthenshire County Council
Issued to	Louise Rosser, Audit & Risk Manager

## **1. Introduction**

- 1.1 The Public Sector Internal Audit Standard (PSIAS) became effective from 1<sup>st</sup> April 2013 and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation.
- 1.2 The two possible approaches to external assessments outlined in the standard included either a full external assessment or an internal self-assessment which is validated by an external reviewer.
- 1.3 Members of the Welsh Chief Internal Auditor Group (WCIAG) elected to adopt the self-assessment approach, with another member of the WCIAG undertaking the validation.

## **2. Purpose**

- 2.1 The purpose of the external assessment is to help improve delivery of the audit service to an organisation. The assessment is designed to be a supportive process that identifies opportunities for development which ultimately help to enhance the value of the audit function to the authority.

## **3. Results**

- 3.1 The assessment involved a validation of a self-assessment of conformance against the PSIAS undertaken by the Principal Auditor at Carmarthenshire County Council.
- 3.2 The assessment comprised a desktop review of the self-assessment and supporting evidence and discussions were held with the Chief Audit Executive (CAE), the Professional Lead, the Senior Auditor and the Chair of the Governance & Audit Committee to gain insight and views on the operation of the Internal Audit Team and adherence to the Standards.
- 3.3 In summary, there are 304 best practice lines within the PSIAS. The Internal Audit Service of Blaenau Gwent Council is currently conforming to 267 of the requirements, with 30 areas deemed not applicable, partial conformance in 6 areas and non-conformance in one area.

3.4 The table below summarises the outcome of the assessment.

Standard	Conformance				Total
	Yes	Partly	No	N/A	
1. Mission of Internal Audit	1				1
2. Definition of Audit Risk	2				2
3. Core Principles	10				10
4. Code of Ethics	13				13
5. Attribute Standards					
Purpose, Authority and Responsibility	17	2		1	20
Objectivity and Independence	25		1	3	29
Proficiency and Due Professional Care	18			3	21
Quality Assurance and Improvement Programme	24				24
6. Performance Standards					
Managing the Internal Audit Activity	32	3		2	37
Nature of Work	23	1		4	28
Engagement Planning	37			15	52
Performing the Engagement	15				15
Communicating Results	45			1	46
Monitoring Progress	3			1	4
Communicating the Acceptance of Risks	2				2
<b>Total</b>	<b>267</b>	<b>6</b>	<b>1</b>	<b>30</b>	<b>304</b>

3.5 This report contains three appendices as follows:

<b>Appendix A</b>	Action Plan to address non / partial conformance areas
<b>Appendix B</b>	Enhancing proposals for areas where conformance is already achieved
<b>Appendix C</b>	Completed checklist for assessing conformance with the PSIAS and Local Government Application Note (LGAN)

3.6 The one area of non-compliance relates to Standard 1130, *Impairment to Independence or Objectivity*. The requirement is for someone outside of Internal Audit to have oversight of audit engagements in areas managed by the CAE. Currently, audits which are undertaken on Risk and/or Insurance, would be overseen by the Chief Officer Resources, who has overall responsibility for the Internal Audit Service, thus the officer is not outside of the Internal Audit activity. Where audits are undertaken in these areas, the PSIAS require that they are overseen by a party outside the Internal Audit activity.

3.7 The six areas of partial compliance relate to:

- *Standard 1000 Purpose, Authority and Responsibility*  
This area relates specifically to what should be included in the Charter. The Internal Audit Charter currently does not include a definition of Internal Audit's role in any fraud-related work.
- *Standard 1000 Purpose, Authority and Responsibility*  
This area relates specifically to what should be included in the Charter. The Internal Audit Charter currently does not include the existing arrangements within the organisation's anti- fraud and anti-corruption policies, requiring the CAE to be notified of all suspected or detected fraud, corruption or impropriety.
- *Standard 2010 Planning*  
The standard requires that the CAE must establish risk-based plans to determine the priorities of the Internal Audit activity, consistent with the organisation's goals. The auditing of IT is outsourced to Torfaen County Council, through a shared resource service (SRS). The CAE is not involved with the production or monitoring of this plan, nor is the Governance & Audit Committee involved in its review and approval.
- *2020 Communication and Approval*  
The IT audit plan is currently not reviewed and approved by the Governance & Audit Committee. Progress updates on the plan are also not presented to the Committee.

- *2050 Coordination*  
There is little evidence of coordination of activities or information sharing with other internal and external providers of assurance; no assurance mapping exercise has been undertaken.
  
- *2120 Risk Management*  
There is no evidence available to demonstrate that Internal Audit has evaluated how the organisation manages fraud risk.

### **Impact of non-compliance and steps to be taken to ensure compliance**

- 3.6.1 Any non-conformance with the Standards and the impact must be disclosed to senior management and the Governance & Audit Committee.
  
- 3.6.2 In terms of the review that has been undertaken, the impact of the non-conformance is not considered to be significant, and the Internal Audit service of Blaenau Gwent Council complies with the Standards in all significant areas and operates independently and objectively.
  
- 3.6.3 The CAE has agreed that an action plan will be drafted to respond to the areas of partial compliance and non-compliance for consideration by the Governance & Audit Committee.

## Action Plan to address non / partial conformance areas

Rec No	Standard	Action to address non-compliance	Responsible Person	Timescale
1	<b>1130 Impairment to Independence or Objectivity</b> Assurance engagements for functions over which the Chief Audit Executive (CAE) has responsibility must be overseen by a party outside the Internal Audit activity.	Currently, audits which are undertaken on Risk and/or Insurance, would be overseen by the Chief Officer Resources, who has overall responsibility for the Internal Audit Service, thus the officer is not outside the Internal Audit activity. Where audits are undertaken in these areas, the PSIAS require that they are overseen by a party <b>outside</b> the Internal Audit activity.		
		<b>Action to address partial compliance</b>		
2	<b>1000 Purpose, Authority and Responsibility</b> The Internal Audit Charter must define the role of Internal Audit in any fraud-related work.	The Internal Audit Charter should be updated to include a definition of Internal Audit's role in any fraud-related work.		
3	<b>1000 Purpose, Authority and Responsibility</b> The Internal Audit Charter must set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, requiring the CAE to be notified of	The Internal Audit Charter should be updated to set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, requiring the CAE to be notified of all suspected or detected fraud, corruption or impropriety.		

	all suspected or detected fraud, corruption or impropriety.			
4	<p><b>2010 Planning</b></p> <p>The CAE must establish risk-based plans to determine the priorities of the Internal Audit activity, consistent with the organisation's goals.</p>	<p>The auditing of IT is outsourced to Torfaen County Council, through a shared resource service (SRS). The CAE is not involved with the production or monitoring of this plan. The annual IT plan is produced by Torfaen and approved by the Boards of the SRS each of which has a representative from the partner authorities. For Blaenau Gwent, the Chief Officer Resources sits on the Finance and Governance Board, the Chief Executive on the Strategic Board and Chief Officer Commercial on the Business and Collaboration Board.</p> <p>The annual IT plan is not presented to the Governance &amp; Audit Committee for consideration or approval. Progress updates on the plan are also not presented to the Governance &amp; Audit Committee.</p> <p>The IT audit plan should be considered by the CAE to ensure the priorities of the activity are determined, consistent with the organisation's goals. The Governance &amp; Audit Committee should consider and approve the annual IT audit plan and should be provided with regular progress updates on the plan.</p>		
5	<p><b>2020 Communication and Approval</b></p>	<p>The IT audit plan and progress updates should be considered by Senior</p>		

	The CAE must communicate the Internal Audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval.	Management and reviewed and approved by the Governance & Audit Committee.		
6	<b>2050 Coordination</b> The CAE should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts.	There is little evidence of coordination of activities or information sharing with other internal and external providers of assurance; no assurance mapping exercise has been undertaken.  An Assurance Mapping exercise should be undertaken to ensure proper coverage and minimise duplication of efforts.		
7	<b>2120 Risk Management</b> The Internal Audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.	No evidence available to demonstrate that Internal Audit has evaluated how the organisation manages fraud risk.  A fraud risk register should be developed and maintained.		



## Further Action Plan – Enhancing proposals for areas where conformance is already achieved

Standard	Compliant, but enhancing recommendation proposed.	Who is responsible for implementing the action	Timescale
<p><b>1100 Independence and Objectivity</b> The CAE must establish effective communication with, and have free and unfettered access to, the Chief Executive and the Chair of the Audit Committee.</p>	<p>Whilst the Internal Audit Charter does state that the CAE has unrestricted access to the Chair of the Governance &amp; Audit Committee; it is not documented within the Charter that the CAE has unfettered access to, as well as communicate effectively with, the Chief Executive. The Internal Audit Charter should be updated to reflect this.</p>		
<p><b>1112 Chief Audit Executive Roles Beyond Internal Auditing</b> The Board must approve and periodically review any safeguards put in place to limit impairments to independence and objectivity.</p>	<p>Whilst there are safeguards in place to limit impairment to independence or objectivity, with the CAE having no involvement in the auditing of Risk/Insurance sections, this has not been formally documented nor approved by the Board. The arrangements are, however, reported annually within the Annual Internal Audit Report and are included within the Audit Charter. The safeguards put in place should be periodically reviewed and approved by the Governance &amp; Audit Committee.</p>		
<p><b>1210 Proficiency</b> Internal Auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation.</p>	<p>Advised that approximately half of the Internal Audit team has had fraud training in the past; however, this training is historic, with refresher training not undertaken recently. Fraud training for Internal Auditors should be considered.</p>		

<p><b>1210 Proficiency</b> Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work.</p>	<p>External IT provision is resourced from Torfaen Council as part of a shared resource Service Level Agreement (SLA), however, a copy of the SLA was not available. The SLA should be available to demonstrate the agreement in place.</p>		
<p><b>1210 Proficiency</b> Internal auditors must have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques.</p>	<p>External IT provision is resourced from Torfaen Council as part of a shared resource Service Level Agreement (SLA), however, a copy of the SLA was not available. The SLA should be available to demonstrate the agreement in place.</p>		
<p><b>1311 Internal Assessments</b> Ongoing performance monitoring should include obtaining stakeholder feedback.</p>	<p>Verbal stakeholder feedback is currently obtained. It would be prudent to consider developing the process to obtain documented stakeholder feedback.</p>		
<p><b>2040 Policies and Procedures</b> The CAE must establish policies and procedures to guide the internal audit activity.</p>	<p>No evidence that the Internal Audit Process Flowchart has been regularly reviewed. The Flowchart provided as evidence showed the most recent modification date as 14/02/2017. It would be prudent to regularly review the Flowchart and document the date of the review to demonstrate that it is up to date.</p>		

<p><b>2070 External Service Provider and Organisational Responsibility for Internal Auditing</b></p> <p>When an external service provider serves as the Internal Audit activity, the provider must make the organisation aware that the organisation has the responsibility for maintaining an effective internal audit activity.</p>	<p>External IT provision is resourced from Torfaen Council as part of a shared resource Service Level Agreement (SLA), however, a copy of the SLA was not available. The SLA should be available to demonstrate the agreement in place.</p>		
<p><b>2120 Risk Management</b></p> <p>The Internal Audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes.</p>	<p>The Internal Audit activity has evaluated the effectiveness of the organisation's risk management processes; however, a specific review of Risk Management has not been undertaken since 2014. At that point in time, a 'limited' assurance rating was assigned to the system and processes in place. A follow-up review was conducted in 2015, however, a more recent review has not been conducted.</p> <p>It would be prudent for the Internal Audit activity to evaluate the effectiveness of risk management processes on a more frequent basis.</p>		

**CHECKLIST FOR ASSESSING CONFORMANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS  
AND THE LOCAL GOVERNMENT APPLICATION NOTE (LGAN)**

Glossary	
<b>GC</b>	<b>Generally Conforms with PSIAS</b> - The relevant structures, policies and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section / category. General conformance does not require complete / perfect conformance, the ideal situation, successful practice, etc.
<b>PC</b>	<b>Partially Conforms with PSIAS</b> - The activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and / or achieving their objectives.
<b>DNC</b>	<b>Does Not Conform with PSIAS</b> - The activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many / all of the objectives of the individual Standard or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board.
<b>N/A</b>	<b>Not Applicable</b> - The sections marked N/A do not apply to this assessment. Any n/a answers should be treated as generally conforming with the PSIAS.
<b>CAE</b>	<b>Chief Audit Executive (CAE)</b> - A generic title used to describe the person responsible for managing the internal audit activity. In Blaenau Gwent Council, it is the Audit & Risk Manager.

	<b>SUMMARY OF RESULTS</b>	<b>GC</b>	<b>PC</b>	<b>DNC</b>	<b>N/A</b>
<b>A</b>	<b>Mission of Internal Audit</b>	<b>1</b>			
<b>B</b>	<b>Definition of Internal Auditing</b>	<b>2</b>			
<b>C</b>	<b>Core Principles for the Professional Practice of Internal Auditing</b>	<b>10</b>			
<b>D</b>	<b>Code of Ethics</b>	<b>13</b>			
<b>E</b>	<b>Attribute Standards</b>	<b>80</b>	<b>2</b>	<b>1</b>	<b>7</b>
1000	Purpose, Authority and Responsibility (The sum of <i>Standards</i> 1000-1010)	17	2		1
1100	Independence and Objectivity	8			
1110	Organisational Independence	6			
1111	Direct Interaction with the Board	1			
1112	Chief Audit Executive Roles Beyond Internal Auditing	2			
1120	Individual Objectivity	2			
1130	Impairments to Independence or Objectivity	6		1	3
1200	<i>Proficiency and Due Professional Care</i>				
1210	Proficiency	9			
1220	Due Professional Care	5			3
1230	Continuing Professional Development	4			
1300	Quality Assurance and Improvement Programme	4			
1310	Requirements of the Quality Assurance and Improvement Programme	1			
1311	Internal Assessments	10			
1312	External Assessments	4			
1320	Reporting on the Quality Assurance and Improvement Programme	2			
1321	Use of Conforms with the International Standards for the Professional Practice of Internal Auditing	1			
1322	Disclosure of Non-conformance	2			
<b>F</b>	<b>Performance Standards</b>	<b>155</b>	<b>4</b>		<b>23</b>
2000	Managing the Internal Audit Activity				
2010	Planning	21	1		2
2020	Communication and Approval	2	1		
2030	Resource Management	3			
2040	Policies and Procedures	2			
2050	Coordination		1		
2060	Reporting to Senior Management and the Board	3			

	<b>SUMMARY OF RESULTS</b>	<b>GC</b>	<b>PC</b>	<b>DNC</b>	<b>N/A</b>
2070	External service Provider and Organisational Responsibility for Internal Audit	1			
2100	Nature of Work				
2110	Governance	8			
2120	Risk Management	10	1		3
2130	Control	5			1
2200	Engagement Planning	13			7
2210	Engagement Objectives	11			2
2220	Engagement Scope	3			6
2230	Engagement Resource Allocation	3			
2240	Engagement Work Programme	7			
2300	Performing the Engagement				
2310	Identifying Information	1			
2320	Analysis and Evaluation	6			
2330	Documenting Information	6			
2340	Engagement Supervision	2			
2400	Communicating Results				
2410	Criteria for Communicating	12			1
2420	Quality of Communications	1			
2421	Errors and Omissions	1			
2430	Use of 'conducted in conformance with the International Standards for the Professional Practice of Internal Auditing'.	1			
2431	Engagement Disclosure of Non-conformance	3			
2440	Disseminating Results	6			
2450	Overall Opinions	21			
2500	Monitoring Progress	3			1
2600	Resolution of Senior Managements Acceptance of Risks	2			
	<b>OVERALL CONCLUSION – CONFORMANCE WITH PSIAS</b>	<b>267</b>	<b>6</b>	<b>1</b>	<b>30</b>

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
A	Mission of Internal Audit				
1	Based on your review of conformance with other requirements of the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), does the internal audit activity aspire to accomplish the Mission of Internal Audit as set out in the PSIAS? <i>To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.</i>	✓			Blaenau Gwent Council Internal Audit service's mission is in-line with the stated definition of internal audit which is named as the purpose in the Charter.
	Mission of Internal Audit	GC			
B	Definition of Internal Auditing				
2	Based on your review of conformance with other requirements of the PSIAS and LGAN, is the internal audit activity independent and objective?	✓			The IA Activity's independence and objectivity is established and set out in the Charter which is approved by the Audit and Governance Committee.
3	Based on your review of conformance with other requirements of the PSIAS and LGAN, does the internal audit activity use a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation?	✓			The IA Activity uses a systematic and disciplined approach to evaluate the effectiveness of risk management, control and governance processes. A 5 year plan is developed based on risk assessment analysis.
	Definition of Internal Audit Conclusion	GC			
C	Core Principles for the Professional Practice of Internal Auditing				
4	Having regard to your review of conformance with the Code of Ethics (Integrity, Seven Principles of Public Life), do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating integrity?	✓			Internal Audit Charter and the Declarations of compliance with the Code of Ethics.
5	Having regard to your review of conformance with the Code of Ethics (Competence, Confidentiality, Seven Principles of Public Life) and any other evidence from the review of conformance with Standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by demonstrating competence and due professional care?	✓			Internal Audit Charter, Declarations of compliance with the Code of Ethics and Annual Performance Review.
6	Having regard to your review of conformance with the Code of Ethics (Objectivity, Seven Principles of Public Life) and any other evidence from the review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN by being objective and free from undue influence (independent)?	✓			Internal Audit Charter and the Declarations of compliance with the Code of Ethics.
7-13	Based on your review of conformance with standards, do you consider that the internal audit activity fully conforms with the PSIAS and LGAN a) By being aligned with the strategies, objectives, and risks of the organisation by? b) Being appropriately positioned and adequately resourced? c) Demonstrating quality and continuous improvement? d) Communicating effectively? e) Providing risk-based assurance, based on adequate risk assessment? f) Being insightful, proactive, and future-focused? g) Promoting organisational improvement?	✓			Internal Audit Charter, Risk-based Audit Plan. Declarations of compliance with the Code of Ethics and Annual Performance Review. QAIP in place, which has been approved by AC in 2018 Quarterly Progress Reports provided to G&AC
	Core Principles for the Professional Practice of Internal Auditing	GC			
D	Code of Ethics				
14-17	Integrity Based on your review of conformance with other requirements of	✓			Annual declaration of ethical compliance certified by IA staff.

	the PSIAS and LGAN, do you consider that internal auditors display integrity by: a) Performing their work with honesty, diligence and responsibility? b) Observing the law and making disclosures expected by the law and the profession? c) Not knowingly partaking in any illegal activity nor engaging in acts that are discreditable to the profession of internal auditing or to the organisation? d) Respecting and contributing to the legitimate and ethical objectives of the organisation?				Annual record of Business Interests completed by IA staff. Annual staff performance review and monthly supervision. Staff are also required to comply with their own professional code of conduct.
18-20	Objectivity Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display objectivity by: a) Not taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment? b) Not accepting anything that may impair or be presumed to impair their professional judgement? c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?	✓			Annual declaration of ethical compliance certified by IA staff. Annual record of Business Interests completed by IA staff. Annual staff performance review and monthly supervision. Staff are also required to comply with their own professional code of conduct.
21-22	Confidentiality Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display due respect and care by: a) Acting prudently when using information acquired in the course of their duties and protecting that information? b) Not using information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation?	✓			Annual declaration of ethical compliance certified by IA staff. Annual record of Business Interests completed by IA staff. Annual staff performance review and monthly supervision. Staff are also required to comply with their own professional code of conduct.
23-25	Competency Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors display competence by: a) Only carrying out services for which they have the necessary knowledge, skills and experience? b) Performing services in accordance with the PSIAS? c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?	✓			The Internal Audit team is staffed with suitably experienced, qualified and part-qualified officers. Annual staff performance review and monthly supervision. Staff are also required to comply with their own professional code of conduct.
26	Seven Principles of Public Life Based on your review of conformance with other requirements of the PSIAS and LGAN, do you consider that internal auditors, whether consciously or through conformance with organisational procedures and norms, have due regard to the Committee on Standards of Public Life's <i>Seven Principles of Public Life</i> ?	✓			Internal Audit Charter. Internal Audit Flow Chart. Declarations of compliance with the Code of Ethics.
	Code of Ethics Conclusion	GC			
	Standards				
E	Attribute Standards				
	1000 Purpose, Authority and Responsibility				
27-29	Does the internal audit charter conform with the PSIAS by including a formal definition of: a) the purpose	✓			Internal Audit Charter





49	Does the CAE attend audit committee meetings?	✓			Governance & Audit Committee agendas and minutes.
50	Does the CAE contribute to audit committee agendas?	✓			Governance & Audit Committee agendas and minutes.
51-54	Are threats to objectivity identified and managed at the following levels: a) Individual auditor? b) Engagement? c) Functional? d) Organisation?	✓			Annual declaration of ethical compliance certified by IA staff. Annual record of Business Interests completed by IA staff. Annual staff performance review and monthly supervision. Staff are also required to comply with their own professional code of conduct.
	1100 Conclusion	GC			
	<i>1110 organisational Independence</i>				
55	Does the CAE report to an organisational level equal or higher to the corporate management team?	✓			CAE reports to the Chief Officer Resources, who is part of the Corporate Management Team.
56	Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?	✓			CAE reports to the Chief Officer Resources, who is part of the Corporate Management Team.
57-58	Does the CAE's position in the management structure: a) Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board? b) Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management?	✓			CAE reports to the Chief Officer Resources, who is part of the Corporate Management Team.
59	Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent?	✓			Annual Internal Audit Report.
60	Is the organisational independence of internal audit realised by functional reporting by the CAE to the board?  <i>The 'Interpretation' to PSIAS 1110 provides examples of factors which may indicate that the CAE reports functionally to the Board, which include where the board:</i> a) approves the internal audit charter b) approves the risk-based audit plan c) approves the internal audit budget and resource plan d) receives communications from the CAE on the activity's performance (in relation to the plan, for example) e) approves decisions relating to the appointment and removal of the CAE f) approves the remuneration of the CAE g) seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.	✓			Governance & Audit Committee agendas and minutes.
	1110 Conclusion	GC			
	<i>1111 Direct Interaction with the Board</i>				
61	Does the CAE communicate and interact directly with the board?	✓			Governance & Audit Committee agendas and minutes.
	1111 Conclusion				
	<i>1112 Chief Audit Executive Roles Beyond Internal Auditing</i>				
62	Where the CAE has roles or responsibilities that fall outside of internal auditing, are adequate safeguards in place to limit impairments to independence or objectivity?	✓			The CAE manages the Risk/Insurance section as well as Internal Audit. Whilst there are safeguards in place to limit impairment to independence or objectivity, with the CAE having no involvement in the auditing of Risk/Insurance sections, this has not been formally documented nor approved by the Board. The arrangements

					are, however, reported annually within the Annual Internal Audit Report and are included within the Audit Charter.
63	<b>Does the board periodically review these safeguards?</b>	✓			The CAE manages the Risk/Insurance section as well as Internal Audit. Whilst there are safeguards in place to limit impairment to independence or objectivity, with the CAE having no involvement in the auditing of Risk/Insurance sections, this has not been formally documented nor approved by the Board. The arrangements are, however, reported annually within the Annual Internal Audit Report and are included within the Audit Charter.
	1112 Conclusion	GC			
	<i>1120 Individual Objectivity</i>				
64	Do internal auditors have an impartial, unbiased attitude?	✓			Annual declaration of ethical compliance certified by IA staff. Annual record of Business Interests completed by IA staff. Annual staff performance review and monthly supervision. Staff are also required to comply with their own professional code of conduct.
65	Do internal auditors avoid any conflict of interest, whether apparent or actual?	✓			Annual declaration of ethical compliance certified by IA staff. Annual record of Business Interests completed by IA staff. Annual staff performance review and monthly supervision. Staff are also required to comply with their own professional code of conduct.
	1120 Conclusion	GC			
	<i>1130 Impairment to Independence or Objectivity</i>				
66	If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties (depending on the nature of the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)?	✓			Advised that there has not been any real or apparent impairment of independence, however, should there be, this would be disclosed appropriately.
67	Does review indicate that work allocations have operated so that internal auditors have not assessed specific operations for which they have been responsible within the previous year?	✓			Internal Audit Charter Internal Audit Plan
68	<b>If there have been any assurance engagements in areas over which the CAE also has operational responsibility, have these engagements been overseen by someone outside of the internal audit activity?</b>			✓	Where audits are undertaken on Risk and/or Insurance, these are not overseen by someone <u>OUTSIDE</u> of the Internal Audit activity. Such audits would be overseen by the Chief Officer Resources, who has overall responsibility for the Internal Audit Service, thus the officer is not <i>outside</i> of the IA activity.
69	Is the risk of over-familiarity or complacency managed effectively: for example by rotating assignments for ongoing assurance engagements and other audit responsibilities periodically within the internal audit team?	✓			Internal Audit Charter Internal Audit Plan Rotation of fundamental Audits within the confines of the resources pool available, with supervision and monitoring.
70	Have internal auditors declared interests in accordance with organisational requirements?	✓			Annual declaration of ethical compliance certified by IA staff. Annual record of Business Interests completed by IA staff.
71	Where any internal auditor has accepted any gifts, hospitality, inducements or other benefits from employees, clients, suppliers or other third parties (other than as may be allowed by the organisation's own policies), has this been declared and investigated fully?	N/A			Advised that no gifts, hospitality, inducements or other benefits have been offered or received.
72	Does review indicate that no instances have been identified where an internal auditor has used information obtained during the course of duties for personal gain?	✓			Annual declaration of ethical compliance certified by IA staff. Annual record of Business Interests completed by IA staff. Annual staff performance review and monthly supervision.

					Staff are also required to comply with their own professional code of conduct.
73	Have internal auditors disclosed all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice, subject to any confidentiality agreements?	✓			Annual declaration of ethical compliance certified by IA staff. Annual record of Business Interests completed by IA staff. Annual staff performance review and monthly supervision. Staff are also required to comply with their own professional code of conduct.
74	If there has been any real or apparent impairment of independence or objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted?	N/A			No consulting services undertaken.
75	Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the board before the engagement was accepted?	N/A			No consulting services undertaken.
	1130 Conclusion	GC			
	1200 Proficiency and Due Professional Care				
	1210 Proficiency				
76	Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	✓			Chief Audit Executive is ACCA qualified (FCCA)
77	Is the CAE suitably experienced?	✓			CAE is a Fellow of ACCA
78	Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	✓			Corporate Policies for the recruitment of staff.
79	Does the CAE ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes?	✓			Job Descriptions
80	Having regard to the answers to the other questions in this section and other matters, does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	✓			Annual staff performance review and monthly supervision.
81	Where the internal audit activity does not possess the skills, knowledge and other competencies required to perform its responsibilities, does the CAE obtain competent advice and assistance?	✓			Advised that where required, suitable skills would be procured. E.g., external IT audit provision is currently procured.
82	<b>Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?</b>	✓			Advised that approximately half of the Internal Audit team has had fraud training in the past; however, this training is historic, with refresher training not undertaken recently.
83	<b>Do internal auditors have sufficient knowledge of key information technology risks and controls?</b>	✓			There is no IT auditor resource within the team and no evidence of recent, specific, information technology training for any Internal Audit staff. External IT provision is, however, resourced from Torfaen Council as part of a shared resource Service Level Agreement (SLA), however, a copy of the SLA was not available.
84	<b>Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques?</b>	✓			There is no IT auditor resource within the team and no evidence of recent, specific, information technology training for any Internal Audit staff. External IT provision is, however, resourced from Torfaen Council as part of a shared resource Service Level Agreement (SLA), however, a copy of the SLA was not available.
	1210 Conclusion	GC			
	1220 Due Professional Care				
85-89	Do internal auditors exercise due professional care by considering the: a) Extent of work needed to achieve the engagement's objectives?	✓			Internal Audit assignment documentation Evidence of supervision and review by Professional Lead

	<ul style="list-style-type: none"> <li>b) Relative complexity, materiality or significance of matters to which assurance procedures are applied?</li> <li>c) Adequacy and effectiveness of governance, risk management and control processes?</li> <li>d) Probability of significant errors, fraud, or non-compliance?</li> <li>e) Cost of assurance in relation to potential benefits?</li> </ul>				
90-92	<p>Do internal auditors exercise due professional care during a consulting engagement by considering the</p> <ul style="list-style-type: none"> <li>a) Needs and expectations of clients, including the nature, timing and communication of engagement results?</li> <li>b) Relative complexity and extent of work needed to achieve the engagement's objectives?</li> <li>c) Cost of the consulting engagement in relation to potential benefits?</li> </ul>	N/A			No consulting services undertaken.
	1220 Conclusion	GC			
	<i>1230 Continuing Professional Development</i>				
93	Has the CAE defined the skills and competencies for each level of auditor?	✓			Job Descriptions Training Records Annual staff performance review and monthly supervision
94	Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	✓			
95	Do internal auditors undertake a programme of continuing professional development?	✓			
96	Do internal auditors maintain a record of their professional development and training activities?	✓			
	1230 Conclusion	GC			
	<b>1300 Quality Assurance and Improvement Programme</b>				
97	Has the CAE developed a QAIP that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?	✓			QAIP – approved by Audit committee 2018
98	Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?	✓			
99	Does the CAE maintain the QAIP?	✓			
100	Are any statutory requirements for review of the internal audit activity satisfied?	✓			
	1300 Conclusion	GC			
	<i>1310 Requirements of the Quality Assurance and Improvement Programme</i>				
101	Does the QAIP include both internal and external assessments?	✓			QAIP – approved by Audit committee 2018
	1310 Conclusion	GC			
	<i>1311 Internal Assessments</i>				
102	Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	✓			Internal Audit Plan Allocation of work discussed with professional Lead
103-104	<p>Do internal assessments include ongoing monitoring of the internal audit activity such as:</p> <ul style="list-style-type: none"> <li>a) Routine quality monitoring processes?</li> <li>b) Periodic assessments for evaluating conformance with the PSIAS?</li> </ul>	✓			QAIP – approved by Audit committee 2018
105	Does ongoing performance monitoring contribute to quality improvement through the effective use of performance targets?	✓			Internal Audit Performance Measures

106	Is there a set of comprehensive targets which between them encompass all significant internal audit activities?	✓			Internal Audit Performance Measures
107	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	✓			Internal Audit Performance Measures
108	Does the CAE measure, monitor and report on progress against these targets?	✓			Internal Audit Performance Measures Governance & Audit Committee Agendas and Minutes
109	Does ongoing performance monitoring include obtaining stakeholder feedback?	✓			Verbal stakeholder feedback is currently obtained. It would be prudent to consider developing the process to obtain documented stakeholder feedback.
110	Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices? Sufficiency would require knowledge of the PSIAS and the wider guidance available such as the Local Government Application Note and/or IIA practice advisories, etc.	✓			Current External Quality Assessment undertaken by Principal Auditor of Carmarthenshire County Council.
111	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	✓			Internal Audit Performance Measures Governance & Audit Committee Agendas and Minutes
	1311 Conclusion	GC			
	1312 External Assessments				
112	Has an external assessment been carried out, or is one planned to be carried out, at least once every five years?	✓			Current External Quality Assessment undertaken by Principal Auditor of Carmarthenshire County Council.
113	Has the CAE discussed the alternative approaches to external assessment with the board? <i>This should reflect the relative costs of the different approaches, the potential advantages of an external viewpoint, and whether there are factors which might be considered to warrant a demonstrably independent assessment.</i>	✓			Current External Quality Assessment process being undertaken as part of the Welsh Chief Auditor Group Self-Assessment Approach.
114	Has the CAE properly discussed the qualifications and independence of the assessor or assessment team with the board? <i>In doing this, the CAE should consider whether the assessor or assessment team has demonstrated its competence in both the professional practice of internal auditing and the external assessment process. Competence can be demonstrated through both experience and theoretical learning. Experience of similar organisations or sectors is more valuable than less relevant experience. In the case of an assessment team, not all members need to have all the competencies – it is the team as a whole that is qualified.</i> <i>If the capability of the assessor or assessment team is not immediately obvious, the CAE should document how they used professional judgement to decide whether this is sufficient to carry out the external assessment.</i> <i>If the assessor or assessment team has any real or apparent conflicts of interest with the organisation, this should be clearly explained to the board, and safeguards should be put in place to minimise the effect of this on the conduct of the external assessment.</i> <i>Conflict of interest may include, but is not limited to, being a part of or under the control of the organisation to which the internal audit activity belongs.</i>	✓			Current External Quality Assessment process being undertaken as part of the Welsh Chief Auditor Group Self-Assessment Approach.

115	Has the CAE agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the CFO or the chief executive? <i>The CAE should also agree this scope with the external assessor or assessment team.</i>	✓			The CAE has met with the external assessor to agree the scope of the assessment.
	1312 Conclusion	GC			
	1320 Reporting on the Quality Assurance and Improvement Programme				
116	Has the CAE reported the results of the QAIP to senior management and the board? <i>Note that:</i> <i>a) the results of both external and periodic internal assessment must be communicated upon completion</i> <i>b) the results of ongoing monitoring must be communicated at least annually</i> <i>c) the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.</i>	✓			QAIP Internal Audit Annual Report Internal Audit Charter
117	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	✓			QAIP Internal Audit Annual Report Internal Audit Charter
	1320 Conclusion	GC			
	1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'				
118	Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	✓			QAIP Internal Audit Annual Report Internal Audit Charter
	1321 Conclusion	GC			
	1322 Disclosure of Non-conformance				
119	Has the CAE reported any instances of non-conformance with the PSIAS to the board?	✓			Should this situation arise, advised that this would be contained within the Annual Report and also through the quarterly progress reports submitted to the Governance & Audit Committee.
120	If appropriate, has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	✓			Should this situation arise, advised that this would be included within the Annual Report and also taken into account with the Audit Plan.
	1322 Conclusion	GC			
F	Performance Standards				
	2000 Managing the Internal Audit Activity				
	2010 Planning				
121	<b>Has the CAE determined the priorities of the internal audit activity in a risk-based plan and are these priorities consistent with the organisation's goals?</b>		✓		High-level 5-year Audit Plan is approved by the Governance & Audit Committee. A detailed audit plan is then decided, and actioned, based on the highest priorities for the organisation.  <i>The auditing of IT is, however, outsourced to Torfaen County Council, through a shared resource service (SRS). The CAE is not involved with the production or monitoring of this plan. The annual IT plan is produced by Torfaen and approved by the Boards of the SRS each of which has a representative from the partner authorities. For Blaenau Gwent, the Chief Officer Resources sits on the Finance</i>

					and Governance Board, the Chief Executive on the Strategic Board and Chief Officer Commercial on the Business and Collaboration Board. The annual IT plan is not presented to the Governance & Audit Committee for consideration or approval. Progress updates on the plan are also not presented to the Governance & Audit Committee.	
122	Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?	✓			Annual Internal Audit Report	
123-125	Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of: a) How the internal audit service will be delivered? b) How the internal audit service will be developed in accordance with the internal audit charter? c) How the internal audit service links to organisational objectives and priorities?	✓			Internal Audit Plan	
126	Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	✓				
127	In developing the risk-based plan, has the CAE taken into account the organisation's risk management framework and relative risk maturity of the organisation?	✓				
128	If such a risk management framework does not exist, has the CAE used their judgement of risks after input from senior management and the board and evidenced this?	✓				
129-131	Does the risk-based plan set out the: a) Audit work to be carried out? b) Respective priorities of those pieces of audit work? c) Estimated resources needed for the work?	✓				
132	Does the risk-based plan differentiate between audit and other types of work?	✓				
133	Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	✓				
134	Does the CAE review the plan on a regular basis and has he or she adjusted the plan when necessary in response to changes in the organisation's business, risks, operations, programmes, systems and controls?	✓				Internal Audit Plan
135	Is the internal audit activity's plan of engagements based on a documented risk assessment?	✓				
136	Is the risk assessment used to develop the plan of engagements undertaken at least annually?	✓				
137-140	In developing the risk-based plan, has the CAE also given sufficient consideration to: a) Any declarations of interest (for the avoidance for conflicts of interest)? b) The requirement to use specialists, eg IT or contract and procurement auditors? c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary?	✓				



	d) The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CAE opinion?				
141	In developing the risk-based plan, has the CAE consulted with senior management and the board to obtain an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes?	✓			
142	Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	✓			
143	Does the CAE take into consideration any proposed consulting engagement's potential to improve the management of risks, to add value and to improve the organisation's operations before accepting them?	N/A			No consulting engagements undertaken.
144	Are consulting engagements that have been accepted included in the risk-based plan?	N/A			No consulting engagements undertaken.
	2010 Conclusion	GC			
	<i>2020 Communication and Approval</i>				
145	<b>Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?</b>		✓		High-level 5-year Audit Plan is approved by the Governance & Audit Committee. A detailed audit plan is then decided, and actioned, based on the highest priorities for the organisation.  The auditing of IT is, however, outsourced to Torfaen County Council, through a shared resource service (SRS). Whilst an Annual IT Audit Plan is produced by Torfaen, this is not presented to Blaenau Gwent County Council's Governance & Audit Committee for consideration or approval. Progress updates on the plan are also not presented to the Governance & Audit Committee.
146	Has the CAE communicated any significant interim changes to the plan and/or resource requirements to senior management and the board for review and approval, where such changes have arisen?	✓			Internal Audit Plan Governance & Audit Committee Agendas and Minutes
147	Has the CAE communicated the impact of any resource limitations to senior management and the board?	✓			Internal Audit Plan Governance & Audit Committee Agendas and Minutes
	2020 Conclusion	GC			
	<i>2030 Resource Management</i>				
148	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	✓			Internal Audit Plan
149	Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise disruption to the functions being audited, subject to the requirement to obtain sufficient assurance?	✓			Internal Audit Plan Allocation of work is managed by the Audit professional Lead
150	If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board?	✓			Governance & Audit Committee Agendas and Minutes
	2030 Conclusion	GC			
	<i>2040 Policies and Procedures</i>				

151	Has the CAE developed and put into place policies and procedures to guide the internal audit activity?	✓			Internal Audit Charter No Internal Audit Manual, but an Internal Audit Process Flowchart in place
152	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	✓			Internal Audit Charter – reviewed and approved annually No evidence that the Internal Audit Process Flowchart has been regularly reviewed. The Flowchart provided as evidence showed the most recent modification date as 14/02/2017.
	2040 Conclusion	GC			
	2050 Coordination				
153	<b>Does the risk-based plan include an adequately developed approach to using other sources of assurance and any work that may be required to place reliance upon those sources?</b>		✓		Self-assessment stated that this is <i>considered as part of liaison with the external auditor appointed and other LA's as required.</i> <b>There is little evidence of coordination of activities or information sharing with other internal and external providers of assurance; no assurance mapping exercise has been undertaken.</b>
	2050 Conclusion		PC		
	2060 Reporting to Senior Management and the Board				
154	Does the CAE report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan?	✓			Governance & Audit Committee Agendas and Minutes Annual Internal Audit Report
155	Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?	✓			
156	Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board?	✓			
	2060 Conclusion	GC			
	2070 External Service Provider and Organisational Responsibility for Internal Auditing				
157	Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining an effective internal audit activity remains with the organisation?	✓			The auditing of IT is outsourced to Torfaen County Council, through a shared resource service (SRS). Whilst the CAE has advised that a Service Level Agreement (SLA) is in place between Blaenau Gwent Council and Torfaen Council for the provision of IT audits, this SLA was not available to view at the time of the assessment.
	2070 Conclusion	GC			
	2100 Nature of Work				
	2110 Governance				
158-163	Does the internal audit activity assess and make appropriate recommendations to improve the organisation's governance processes for: a) Making strategic and operational decisions? b) Overseeing risk management and control? c) Promoting appropriate ethics and values within the organisation? d) Ensuring effective organisational performance management and accountability? e) Communicating risk and control information to appropriate areas of	✓			Internal Audit Assignment Documents

	the organisation? f) Coordinating the activities of and communicating information among the board, external and internal auditors and management?				
164	Has the internal audit activity evaluated the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities? This is an area where the CAE may be able to use other sources of assurance.	✓			Internal Audit Plan
165	Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives? This is an area where the CAE may be able to use other sources of assurance.	✓			Internal Audit Annual Report
	2110 Conclusion	GC			
	<i>2120 Risk Management</i>				
166-169	Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that: a) Organisational objectives support and align with the organisation's mission? b) Significant risks are identified and assessed? c) Appropriate risk responses are selected that align risks with the organisation's risk appetite? d) Relevant risk information is captured and communicated in a timely manner across the organisation, thus enabling the staff, management and the board to carry out their responsibilities?	✓			The Internal Audit activity has evaluated the effectiveness of the organisation's risk management processes; however, a specific review of Risk Management has not been undertaken since 2014. At that point in time, a 'limited' assurance rating was assigned to the system and processes in place. Follow up review undertaken in 2015.
170-174	Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the: a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?	✓			Internal Audit Plan Annual Internal Audit Report
175	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?		✓		Evidence not available to demonstrate that Internal Audit has evaluated how the organisation manages fraud risk. There is no fraud risk register in place.
176	Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	N/A			
177	Are internal auditors alert to other significant risks when undertaking consulting engagements?	N/A			
178	Do internal auditors incorporate knowledge of risks gained from consulting engagements into their evaluation of the organisation's risk management processes?	N/A			
179	Do internal auditors successfully avoid managing risks themselves, which would in effect lead to taking on management responsibility, when assisting management in establishing or improving risk management processes?	✓			Internal Audit Plan Annual Internal Audit Report
	2120 Conclusion	GC			
	<i>2130 Control</i>				

180-184	Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the: a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?	✓			Internal Audit Plan Annual Internal Audit Report
185	Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	N/A			No consulting engagements undertaken.
	2130 Conclusion	GC			
	2200 Engagement Planning				
186	Do internal auditors develop and document a plan for each engagement?	✓			Internal Audit Assignment Documents
187-190	Does the engagement plan include the engagement's: a) Objectives? b) Scope? c) Timing? d) Resource allocations?	✓			Internal Audit Assignment Documents
191-198	Do internal auditors consider the following in planning an engagement, and is this documented: a) The objectives of the activity being reviewed? b) The means by which the activity controls its performance? c) The significant risks to the activity being audited? d) The activity's resources? e) The activity's operations? f) The means by which the potential impact of risk is kept to an acceptable level? g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model? h) The opportunities for making significant improvements to the activity's governance, risk management and control processes?	✓			Internal Audit Assignment Documents
199-201	Where an engagement plan has been drawn up for an audit to a party outside of the organisation, have the internal auditors established a written understanding with that party about the following: a) Objectives? b) Scope? c) The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)?	N/A			No engagements undertaken relating to outside parties.
202-204	For consulting engagements, have internal auditors established an understanding with the engagement clients about the following: a) Objectives? b) Scope? c) The respective responsibilities of the internal auditors and the client and other client expectations?	N/A			No consulting engagements undertaken.
205	For significant consulting engagements, has this understanding been documented?	N/A			No consulting engagements undertaken.

	2200 Conclusion	GC			
	<i>2210 Engagement Objectives</i>				
206	Have objectives been agreed for each engagement?	✓			Internal Audit Assignment Documents
207	Have internal auditors carried out a preliminary risk assessment of the activity under review?	✓			Internal Audit Plan Internal Audit Assignment Documents
208	Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	✓			Internal Audit Plan Internal Audit Assignment Documents
209-212	Have internal auditors considered the probability of the following, when developing the engagement objectives: a) Significant errors? b) Fraud? c) Non-compliance? d) Any other risks?	✓			Internal Audit Plan Internal Audit Assignment Documents
213	Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether organisational objectives and goals have been accomplished?	✓			Annual Internal Audit Report Internal Audit Plan Internal Audit Assignment Documents
214	If the criteria has been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?	✓			
215	If the criteria has been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	✓			
216	If the value for money criteria has been referred to, has the use of all the organisation's main types of resources been considered, including money, people and assets?	✓			
217	Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with the client?	N/A			No consulting engagements undertaken.
218	Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	N/A			No consulting engagements undertaken.
	2210 Conclusion	GC			
	<i>2220 Engagement Scope</i>				
219	Is the scope that is established for each engagement generally sufficient to satisfy the engagement's objectives?	✓			Internal Audit Assignment Documents
220	Does the scope for each engagement include consideration of relevant systems, records, personnel and physical properties?	✓			
221	Does this consideration include areas under the control of outside parties, where appropriate?	✓			
222	Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up?	N/A			No consulting engagements undertaken.
223	Where significant consulting opportunities have arisen during an assurance engagement, were the results of the subsequent engagement communicated in accordance with the relevant consulting standards?	N/A			

224	For each consulting engagement, was the scope of the engagement generally sufficient to address any agreed-upon objectives?	N/A			
225	If the internal auditors developed any reservations about the scope of a consulting engagement while undertaking that engagement, did they discuss those reservations with the client and therefore determine whether or not to continue with the engagement?	N/A			
226	During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	N/A			
227	During consulting engagements, were internal auditors alert to any significant control issues?	N/A			
	2220 Conclusion	GC			
	2230 <i>Engagement Resource Allocation</i>				
228-230	Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of the engagement based on: a) The nature and complexity of each individual engagement? b) Any time constraints? c) The resources available?	✓			Annual Internal Audit Plan
	2230 Conclusion	GC			
	2240 <i>Engagement Work Programme</i>				
231	Have internal auditors developed and documented work programmes that achieve the engagement objectives?	✓			Internal Audit Plan Internal Audit Assignment Documents
232-235	Do the engagement work programmes include the following procedures for: a) Identifying information? b) Analysing information? c) Evaluating information? d) Documenting information?	✓			
236	Were work programmes approved prior to implementation for each engagement?	✓			
237	Were any adjustments required to work programmes approved promptly?	✓			
	2240 Conclusion	GC			
	2300 <i>Performing the Engagement</i>				
	2310 <i>Identifying Information</i>				
238	Do internal auditors generally identify (sufficient, reliable, relevant and useful) information which supports engagement results and conclusions?	✓			Internal Audit Assignment Documents
	2310 Conclusion	GC			
	2320 <i>Analysis and Evaluation</i>				
239	Have internal auditors generally based their conclusions and engagement results on appropriate analyses and evaluations?	✓			Internal Audit Assignment Documents
240-244	Have internal auditors generally remained alert to the possibility of the following when performing their individual audits, and has this been documented: a) Intentional wrongdoing? b) Errors and omissions? c) Poor value for money? d) Failure to comply with management policy?	✓			Internal Audit Assignment Documents

	e) Conflicts of interest?				
	2320 Conclusion	GC			
	<i>2330 Documenting Information</i>				
245	Have internal auditors documented the relevant information required to support engagement conclusions and results?	✓			Internal Audit Assignment Documents
246	Are working papers sufficiently complete and detailed to enable another experienced internal auditor with no previous connection with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached?	✓			
247	Does the CAE control access to engagement records?	✓			The Audit drive is a secured network drive with access controlled by the Audit and Risk Manager.
248	Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?	✓			Self-assessment states that Audit documents are provided to relevant officers only. Commercially sensitive or confidential information is controlled.
249	Has the CAE developed and implemented retention requirements for all types of engagement records?	✓			Internal Audit retention requirements are in line with the Corporate guidelines, as well as regulatory/other requirements.
250	Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	✓			Internal Audit retention requirements are in line with the Corporate guidelines, as well as regulatory/other requirements.
	2330 Conclusion	GC			
	<i>2340 Engagement Supervision</i>				
251	Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	✓			Internal Audit Assignment Documents
252	Is appropriate evidence of supervision documented and retained for each engagement?	✓			Internal Audit Assignment Documents
	2340 Conclusion	GC			
	2400 Communicating Results				
	<i>2410 Criteria for Communicating</i>				
253-256	Do the communications of engagement results include the following: a) The engagement's objectives? b) The scope of the engagement? c) Applicable conclusions? d) Recommendations and action plans, if appropriate?	✓			Internal Audit Assignment Documents Internal Audit Reports
257	Do internal auditors generally discuss the contents of the draft final reports with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management actions?	✓			
258	If recommendations and an action plan have been included, are recommendations prioritised according to risk?	✓			
259	If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?	✓			
260	If there are any areas of disagreement between the internal auditor and management, which cannot be resolved by discussion, are these recorded in the action plan and the residual risk highlighted?	✓			
261	Subject to confidentiality requirements and other limitations on reporting, do communications disclose all material facts known to them in their audit	✓			

	reports which, if not disclosed, could distort their reports or conceal unlawful practice?				
262	When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	✓			
263	Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	✓			
264	When engagement results have been released to parties outside of the organisation, does the communication include limitations on the distribution and use of the results?	✓			Advised that most IA results are in the public domain through the Governance & Audit Committee. Public interest tests performed on reporting as required.
265	Where the CAE has been required to provide assurance to other partnership organisations, or arm's length bodies such as trading companies, have the risks of doing so been managed effectively, having regard to the CAE's primary responsibility to the management of the organisation for which they are engaged to provide internal audit services?	N/A			The CAE has not been required to provide such assurance.
	2410 Conclusion	GC			
	<i>2420 Quality of Communications</i>				
266	Are internal audit communications generally accurate, objective, clear, concise, constructive, complete and timely?	✓			Internal Audit Assignment Documents Internal Audit Reports
	2420 Conclusion	GC			
	<i>2421 Errors and Omissions</i>				
267	If a final communication has contained a significant error or omission, did the CAE communicate the corrected information to all parties who received the original communication?	✓			Advised that this has not been experienced, but should the situation arise, the corrected information would be communicated appropriately.
	2421 Conclusion	GC			
	<i>2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'</i>				
268	Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?	✓			Internal Audit Charter Annual Internal Audit Report QAIP
	2430 Conclusion	GC			
	<i>2431 Engagement Disclosure of Non conformance</i>				
269-271	Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following: a) The principle or rule of conduct of the <i>Code of Ethics</i> or <i>Standard(s)</i> with which full conformance was not achieved? b) The reason(s) for non-conformance? c) The impact of non-conformance on the engagement and the engagement results?	✓			Advised that this has not occurred. However, self-assessment records that if this did occur, it would be reported via the Audit and Risk Manager's annual report.
	2431 Conclusion	GC			
	<i>2440 Disseminating Results</i>				
272	Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	✓			Internal Audit Charter Internal Audit Assignment Documents Internal Audit Reports



273	Has the CAE communicated engagement results to all appropriate parties?	✓			Advised that the CAE (Audit and Risk Manager) is responsible for reviewing and approving the final engagement communication before it is issued, including the decision on who it is issued to and how it is disseminated.
274-276	Before releasing engagement results to parties outside the organisation, did the CAE: a) Assess the potential risk to the organisation? b) Consult with senior management and/or legal counsel as appropriate? c) Control dissemination by restricting the use of the results?	✓			
277	Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	✓			
	2440 Conclusion	GC			
	2450 Overall Opinion				
278	Has the CAE delivered an annual internal audit opinion?	✓			2020/21 Annual Report reviewed – Internal Audit opinion was 'Reasonable'
279	Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?	✓			
280	Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	✓			
281	Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information (having regard to the answers to questions on PSIAS 2300)?	✓			
282-285	Does the communication identify the following: a) The scope of the opinion, including the time period to which the opinion relates? b) Any scope limitations? c) The consideration of all related projects including the reliance on other assurance providers? d) The risk or control framework or other criteria used as a basis for the overall opinion?	✓			
286	Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	✓			
287	Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?	✓			
288-298	Does the annual report incorporate the following: a) The annual internal audit opinion? b) A summary of the work that supports the opinion? c) A disclosure of any qualifications to the opinion? d) The reasons for any qualifications to the opinion? e) A disclosure of any impairments or restriction in scope? f) A comparison or work actually carried out with the work planned? g) A statement on conformance with the PSIAS? h) The results of the QAIP? i) Progress against any improvement plans resulting from the QAIP? j) A summary of the performance of the internal audit activity against its performance measures and targets? k) Any other issues that the CAE judges is relevant to the preparation of the governance statement?	✓			

	2450 Conclusion	GC			
	2500 Monitoring Progress				
299	Has the CAE established a process to monitor and follow up management actions to ensure that agreed actions have been effectively implemented or that senior management have accepted the risk of not taking action?	✓			Follow-up process defined – Internal Audit Process Flowchart
300	Where issues have arisen during the follow-up process (for example, where agreed actions have not been implemented), has the CAE considered revising the internal audit opinion?	✓			Advised that this has not occurred.
301	Do the results of monitoring management actions inform the risk- based planning of future audit work?	✓			Internal Audit Plan
302	Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	N/A			No consulting engagements undertaken.
	2500 Conclusion	GC			
	2600 Communicating the Acceptance of Risks				
303	If the CAE has concluded that management has accepted a level of risk that may be unacceptable to the organisation, has he or she discussed the matter with senior management?	✓			Internal Audit Charter Governance & Audit Committee Agendas and Minutes
304	If, after discussion with senior management, the CAE continues to conclude that the level of risk may be unacceptable to the organisation, has he or she communicated the situation to the board?	✓			
	2600 Conclusion	GC			

## Action Plan to address non / partial conformance areas

Rec No	Standard	Action to address non-compliance	BG Response	Responsible Person	Timescale
1	<b>1130 Impairment to Independence or Objectivity</b> Assurance engagements for functions over which the Chief Audit Executive (CAE) has responsibility must be overseen by a party outside the Internal Audit activity.	Currently, audits which are undertaken on Risk and/or Insurance, would be overseen by the Chief Officer Resources, who has overall responsibility for the Internal Audit Service, thus the officer is not outside the Internal Audit activity. Where audits are undertaken in these areas, the PSIAS require that they are overseen by a party <b>outside</b> the Internal Audit activity.	Blaenau Gwent are in a similar position to other local authorities where Internal Audit have responsibility for other services. It is considered appropriate to continue on the same basis and accept the risk raised.	N/a	N/a
		Action to address partial compliance	BG Response	Responsible Person	Timescale
2	<b>1000 Purpose, Authority and Responsibility</b> The Internal Audit Charter must define the role of Internal Audit in any fraud-related work.	The Internal Audit Charter should be updated to include a definition of Internal Audit's role in any fraud-related work.	The Internal Audit Charter will be updated accordingly and presented to the Governance and Audit Committee for review.	Audit and Risk Manager	July 2023
3	<b>1000 Purpose, Authority and Responsibility</b> The Internal Audit Charter must set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, requiring the CAE to be notified of all suspected or detected fraud, corruption or impropriety.	The Internal Audit Charter should be updated to set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, requiring the CAE to be notified of all suspected or detected fraud, corruption or impropriety.	The Internal Audit Charter will be updated accordingly and presented to the Governance and Audit Committee for review.	Audit and Risk Manager	July 2023
4	<b>2010 Planning</b> The CAE must establish risk-based plans to determine the priorities of the Internal Audit activity, consistent with the organisation's goals.	The auditing of IT is outsourced to Torfaen County Council, through a shared resource service (SRS). The CAE is not involved with the production or monitoring of this plan. The annual IT plan is produced by Torfaen and approved by the Boards of the SRS each of which has a representative from the partner authorities. For Blaenau Gwent, the Chief Officer Resources sits on the Finance and Governance Board, the Chief Executive on the Strategic Board and	The Torfaen - SRS IT Audit Plan for 2023/24 will be presented to the Governance and Audit Committee for review. Progress updates from the plan will be provided to the committee as and when they are received.	Audit and Risk Manager	June 2023

		<p>Chief Officer Commercial on the Business and Collaboration Board.</p> <p>The annual IT plan is not presented to the Governance &amp; Audit Committee for consideration or approval. Progress updates on the plan are also not presented to the Governance &amp; Audit Committee.</p> <p>The IT audit plan should be considered by the CAE to ensure the priorities of the activity are determined, consistent with the organisation's goals. The Governance &amp; Audit Committee should consider and approve the annual IT audit plan and should be provided with regular progress updates on the plan.</p>			
5	<p><b>2020 Communication and Approval</b></p> <p>The CAE must communicate the Internal Audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval.</p>	<p>The IT audit plan and progress updates should be considered by Senior Management and reviewed and approved by the Governance &amp; Audit Committee.</p>	<p>The Torfaen - SRS IT Audit Plan for 2023/24 will be presented to the Governance and Audit Committee for review and approval. Progress updates from the plan will be provided to the committee as and when they are received.</p>	Audit and Risk Manager	June 2023
6	<p><b>2050 Coordination</b></p> <p>The CAE should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts.</p>	<p>There is little evidence of coordination of activities or information sharing with other internal and external providers of assurance; no assurance mapping exercise has been undertaken.</p> <p>An Assurance Mapping exercise should be undertaken to ensure proper coverage and minimise duplication of efforts.</p>	<p>Enquiries will be made with the Head of Democratic Services, Governance and Partnerships regarding a corporate assurance mapping exercise.</p>	Audit and Risk Manager	June 2023
7	<p><b>2120 Risk Management</b></p> <p>The Internal Audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.</p>	<p>No evidence available to demonstrate that Internal Audit has evaluated how the organisation manages fraud risk.</p> <p>A fraud risk register should be developed and maintained.</p>	<p>Fraud risk is included in the annual audit plan risk assessment. A fraud risk register will be developed as part of the ongoing development of the Fraud Strategy.</p>	Audit and Risk Manager	March 2024

## Further Action Plan – Enhancing proposals for areas where conformance is already achieved

Standard	Compliant, but enhancing recommendation proposed.	BG Response	Who is responsible for implementing the action	Timescale
<b>1100 Independence and Objectivity</b> The CAE must establish effective communication with, and have free and unfettered access to, the Chief Executive and the Chair of the Audit Committee.	Whilst the Internal Audit Charter does state that the CAE has unrestricted access to the Chair of the Governance & Audit Committee; it is not documented within the Charter that the CAE has unfettered access to, as well as communicate effectively with, the Chief Executive. The Internal Audit Charter should be updated to reflect this.	The Internal Audit Charter will be updated accordingly and presented to the Governance and Audit Committee for review.	Audit and Risk Manager	July 2023
<b>1112 Chief Audit Executive Roles Beyond Internal Auditing</b> The Board must approve and periodically review any safeguards put in place to limit impairments to independence and objectivity.	Whilst there are safeguards in place to limit impairment to independence or objectivity, with the CAE having no involvement in the auditing of Risk/Insurance sections, this has not been formally documented nor approved by the Board. The arrangements are, however, reported annually within the Annual Internal Audit Report and are included within the Audit Charter. The safeguards put in place should be periodically reviewed and approved by the Governance & Audit Committee.	The Governance and Audit Committee receive confirmation of these arrangements through both the Internal Audit Charter and the Annual Report of the Audit and Risk Manager. In addition, the approval process would be reiterated as part of any audit undertaken in this area. No additional actions are proposed.	N/a	N/a
<b>1210 Proficiency</b> Internal Auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation.	Advised that approximately half of the Internal Audit team has had fraud training in the past; however, this training is historic, with refresher training not undertaken recently. Fraud training for Internal Auditors should be considered.	The Audit and Risk Manager will source and cost suitable refresher Fraud training and put forward a proposal to the Chief Officer Resources.	Audit and Risk Manager / Chief Officer Resources	TBC
<b>1210 Proficiency</b> Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work.	External IT provision is resourced from Torfaen Council as part of a shared resource Service Level Agreement (SLA), however, a copy of the SLA was not available. The SLA should be available to demonstrate the agreement in place.	A new Memorandum of Understanding is currently being drafted. The Chief Officer Resources will receive the completed MOU through the SRS Finance Board and present it to the Governance and Audit Committee in due course.	Chief Officer Resources	TBC
<b>1210 Proficiency</b> Internal auditors must have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques.	External IT provision is resourced from Torfaen Council as part of a shared resource Service Level Agreement (SLA), however, a copy of the SLA was not available. The SLA should be available to demonstrate the agreement in place.	A new Memorandum of Understanding is currently being drafted. The Chief Officer Resources will receive the completed MOU through the SRS Finance Board and present it to the Governance and Audit Committee in due course.	Chief Officer Resources	TBC

<p><b>1311 Internal Assessments</b> Ongoing performance monitoring should include obtaining stakeholder feedback.</p>	<p>Verbal stakeholder feedback is currently obtained. It would be prudent to consider developing the process to obtain documented stakeholder feedback.</p>	<p>This methodology has been found to be more successful than the Quality Control Questionnaires previously used by the service. It is not proposed to change this approach at present.</p>	<p>N/a</p>	<p>N/a</p>
<p><b>2040 Policies and Procedures</b> The CAE must establish policies and procedures to guide the internal audit activity.</p>	<p>No evidence that the Internal Audit Process Flowchart has been regularly reviewed. The Flowchart provided as evidence showed the most recent modification date as 14/02/2017. It would be prudent to regularly review the Flowchart and document the date of the review to demonstrate that it is up to date.</p>	<p>A review of the Internal Audit Process Flowchart will be undertaken to ensure it is up to date. A version control will be added to the document.</p>	<p>Audit and Risk Manager</p>	<p>March 2023</p>
<p><b>2070 External Service Provider and Organisational Responsibility for Internal Auditing</b> When an external service provider serves as the Internal Audit activity, the provider must make the organisation aware that the organisation has the responsibility for maintaining an effective internal audit activity.</p>	<p>External IT provision is resourced from Torfaen Council as part of a shared resource Service Level Agreement (SLA), however, a copy of the SLA was not available. The SLA should be available to demonstrate the agreement in place.</p>	<p>A new Memorandum of Understanding is currently being drafted. The Chief Officer Resources will receive the completed MOU through the SRS Finance Board and present it to the Governance and Audit Committee in due course.</p>	<p>Chief Officer Resources</p>	<p>TBC</p>
<p><b>2120 Risk Management</b> The Internal Audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes.</p>	<p>The Internal Audit activity has evaluated the effectiveness of the organisation's risk management processes; however, a specific review of Risk Management has not been undertaken since 2014. At that point in time, a 'limited' assurance rating was assigned to the system and processes in place. A follow-up review was conducted in 2015, however, a more recent review has not been conducted.  It would be prudent for the Internal Audit activity to evaluate the effectiveness of risk management processes on a more frequent basis.</p>	<p>The Risk and Insurance functions are subject to the annual risk assessment performed to generate the Internal Audit Plan. The frequency of audit will be dependent on the risks the systems pose and how they rank compared to the rest of the audit population. This will be presented to the Governance and Audit Committee as part of the Annual Audit Plan.</p>	<p>Audit and Risk Manager</p>	<p>June 2023</p>

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