

Committee: **Governance & Audit Committee**
Date of meeting: **17th January 2024**
Report Subject: **External Quality Assessment Action Plan**
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)
	21/12/2023	06.01.24	17/01/2024					

1. Purpose of the Report

The purpose of this report is to present to the Governance & Audit Committee the progress made against the action plan from the External Quality Assessment (EQA) 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 last EQA was conducted in 2022 with the final report and action plan being presented to this committee in January 2023. The action plan has been updated to show the current status of each of the actions identified.

3. Recommendation

- 3.1 The Governance & Audit Committee consider the action plan developed in response to the findings from the EQA, attached at Appendix A & B, and note the progress made.

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 progress made against the Internal Audit EQA action plan 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 EQA provides an external independent view of the performance of the service, and progress made against the action plan shows the service's commitment to ongoing improvement.

5. **Implications Against Each Option**

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

Completion of the EQA action plan 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 action plan is a missed opportunity to improve the service.

5.3 Legal

Provision of an adequate internal 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 EQA involves the investment of officer time. The commitment is met from existing resources.

6. **Supporting Evidence**

6.1 Performance Information and Data

From the 304 best practice requirements within the PSIAS, it was found that Blaenau Gwent conformed to 267 of them, a further 30 were considered not applicable, 6 had partial conformance and 1 was a non-conformance.

6.1.1 The action sheet attached at Appendix A shows the partial and non-conformances along extracted from the EQA report, along with the with the proposed actions to redress them. A further column has been added to show the current status / progress made against each of these actions.

- 6.1.2 Appendix B provides a further action plan for the recommendations made where Blaenau Gwent was considered to already conform with the standard but could further enhance the service. Again, a column has been added to show the current status / progress against each of these actions.
- 6.1.3 The one non-compliance identified has no further action required due to both CLT and the Committee agreeing to accept the associated risk. Of the six partial compliances identified, four have been completed, one has been partially completed and one is in progress. The nine actions identified in Appendix B that could further enhance existing compliance, include two that require no action, two that have been completed, three that have been partially completed and two that are in progress.
- 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 EQA 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 EQA in line with the PSIAS. This is a reciprocal arrangement between participating authorities. The EQA action plan is developed as part of this process.
- 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 reported to the Governance and Audit Committee periodically to evidence the progress made.

Background Documents /Electronic Links

- Appendix A – Action plan to address non and partial conformance areas.
- Appendix B – Action plan for enhancing proposals where conformance is already achieved.