

## Action Plan to address non / partial conformance areas

Rec No	Standard	Action to address non-compliance	BG Response	Responsible Person	Timescale	Progress
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.	No action required	N/a	<b>No action required</b>
		Action to address partial compliance	BG Response	Responsible Person	Timescale	Progress
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	<b>Completed</b> The amended Internal Audit Charter was presented to the Governance and Audit Committee in September 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	<b>Completed</b> The amended Internal Audit Charter was presented to the Governance and Audit Committee in September 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	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	<b>Completed</b> The Torfaen-SRS IT Audit Plan, and progress to date, are presented to this Committee as part of the agenda.

		<p>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 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>	<p>Audit and Risk Manager</p>	<p>June 2023</p>	<p><b>Completed</b></p> <p>The Torfaen-SRS IT Audit Plan, and progress to date, are presented to this Committee as part of the agenda.</p>
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>	<p>Audit and Risk Manager</p>	<p>June 2023</p>	<p><b>Partially Completed</b></p> <p>A record of all recommendations made by external regulators is maintained and monitored by Governance and Partnerships. A corporate assurance mapping exercise has not been done to date.</p>
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>	<p>Audit and Risk Manager</p>	<p>March 2024</p>	<p><b>In progress</b></p> <p>The Fraud Strategy is currently being reviewed and will be presented to this Committee in March 2024.</p>



## 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	Progress
<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>The Internal Audit Charter will be updated accordingly and presented to the Governance and Audit Committee for review.</p>	<p>Audit and Risk Manager</p>	<p>July 2023</p>	<p><b>Completed</b> The amended Internal Audit Charter was presented to the Governance and Audit Committee in September 2023</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>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.</p>	<p>No action required</p>	<p>N/a</p>	<p><b>No action required</b></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>The Audit and Risk Manager will source and cost suitable refresher Fraud training and put forward a proposal to the Chief Officer Resources.</p>	<p>Audit and Risk Manager / Chief Officer Resources</p>	<p>TBC</p>	<p><b>In progress</b> Three members of the Audit Section attended a Fraud Seminar in September 2023. Further appropriate courses will be considered as they arise, subject to budget constraints.</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>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>Partially Completed</b> The Memorandum of Understanding is being updated by Torfaen CBC to incorporate all SRS partners. It is scheduled for presentation to the Strategic</p>

					Board in December 2023. The SLA with the SRS is complete for 24/25 and has been agreed by the Strategic Board. The Annual Performance Report against the SLA was presented to Corporate Overview and Cabinet in September and October 2023 respectively.
<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>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>Partially Completed</b> The Memorandum of Understanding is being updated by Torfaen CBC to incorporate all SRS partners. It is scheduled for presentation to the Strategic Board in December 2023. The SLA with the SRS is complete for 24/25 and has been agreed by the Strategic Board. The Annual Performance Report against the SLA was presented to Corporate Overview and Cabinet in September and October 2023 respectively.</p>
<p><b>1311 Internal Assessments</b> Ongoing performance monitoring should include</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</p>	<p>No action required</p>	<p>N/a</p>	<p><b>No action required</b></p>

obtaining stakeholder feedback.		service. It is not proposed to change this approach at present.			
<b>2040 Policies and Procedures</b> The CAE must establish policies and procedures to guide the internal audit activity.	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.	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.	Audit and Risk Manager	March 2023	<b>Completed</b> The Internal Audit Process Flowchart was updated in March 2023.
<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.	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>Partially Completed</b> The Memorandum of Understanding is being updated by Torfaen CBC to incorporate all SRS partners. It is scheduled for presentation to the Strategic Board in December 2023. The SLA with the SRS is complete for 24/25 and has been agreed by the Strategic Board. The Annual Performance Report against the SLA was presented to Corporate Overview and Cabinet in September and October 2023 respectively.
<b>2120 Risk Management</b> The Internal Audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes.	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.	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.	Audit and Risk Manager	June 2023	<b>In progress</b> An audit of the Risk Management arrangements for the Authority is scheduled for quarter 4.

--	--	--	--	--	--