

North Lincolnshire / North East Lincolnshire Audit Team

External Quality Assessment Action Plan - July 2024-(Updated December 2024)

Issues for management action	Priority	Action	Person Responsible and date of implementation	December 2024 update
<p>There are some key stakeholders from both Councils who feel that it may be time to reconsider the formation of the Shared Service to see if the current model is still fit for purpose, or whether an alternative model, such as one authority being the host or a stand-alone independent function, would better serve both Councils</p>	<p>Advisory</p>	<p>An agreement in relation to the arrangements for the audit and assurance shared service will be drawn up between North Lincolnshire and North East Lincolnshire. This will include the process for periodically reviewing the arrangements</p>	<p>Mark Kitching (NLC), Simon Jones (NELC), Peter Hanmer October 2024</p>	<p>Since late 2024 there have been discussions between the Councils about the current shared model for internal audit and any resulting changes will be reported when finalised</p>
<p>The Shared Service should be more commercially focussed as they need to have a sound understanding of the business risks and issues associated with services provided by external delivery partners. This is key when carrying out audits of services that have been commissioned from external delivery partners, rather than being provided by in-house functions, or when auditing arm's length management organisations</p>	<p>Advisory</p>	<p>We will develop a commercialisation plan</p>	<p>Peter Hanmer/ Debbie Baker April 2025</p>	<p>Due to the pressures relating to delivering the 2024/25 audit plans and ongoing gaps in the establishment this has not been progressed. This will be revisited in 2025/26.</p>

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<p>The Service needs to be able to demonstrate continuous improvement, insight, and proactivity. This includes ensuring staff undertake regular and appropriate learning and development that is recorded on a central log so the Service can demonstrate continuous improvement takes place and they are insightful.</p>	<p>Medium</p>	<p>A new central training form will be introduced to capture team member's training and experience to support their CPDs</p>	<p>Peter Hanmer/ Debbie Baker November 2024</p>	<p>In progress</p>
<p>The Head of Audit and Assurance has identified the need to involve the respective Chief Executive Officers and the chair of the Audit Committees in his annual appraisal process to enhance conformance to the standards</p>	<p>Advisory</p>	<p>As part of the evidence to support his annual appraisal the Head of Internal Audit will seek feedback from key stakeholders</p>	<p>Peter Hanmer March 2025</p>	<p>Will take place in Q4</p>
<p>To enhance objectivity and remove the risk of complacency, staff allocated to specific audits should be rotated so the same person does not carry out two consecutive audits of a function. The Head of audit and assurance has identified that this is an issue that needs to be addressed.</p>	<p>Medium</p>	<p>When the plan is allocated auditors, previous carried work will be considered</p>	<p>Debbie Baker September 2024</p>	<p>Progressed in 2024/25 but not fully implemented as not at full staff complement during the year. Will further progress when developing the 2025/26 audit plans.</p>

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<p>The Service's use of data analytics can be enhanced further by making use of external sources of data for benchmarking purposes. Suitable sources of external sources of data are the local authority data held in the CIPFA statistics and 'Nearest Neighbour Model' applications, which the Councils should already have access to, and the benchmarking data held by the Local Government Association in their LG Inform application.</p>	Advisory	<p>We will update guidance for the use of external benchmarking in our planning documents</p>	<p>Peter Hanmer/ Debbie Baker</p> <p>November 2024</p>	Complete
<p>The Head of Audit and Assurance has identified that there is scope to enhance the QAIP process by adopting a more formal approach to the process.</p>	Medium	<p>QAIP action plan to be produced to take account of the audit strategy, the EQA, and internal quality reviews</p>	<p>Peter Hanmer</p> <p>September 2024</p>	In progress

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<p>The Head of Audit and Assurance has identified that there is limited capacity within the Shared Service's current structure to facilitate the undertaking of sufficient and detailed 'cold' quality reviews of the completed audits in a timely manner. Whilst the planned restructure of the Shared Service will assist with addressing this matter, it will not conclude for some time. In the interim we suggest that consideration is given to encouraging the Principal Auditors to undertake peer reviews where appropriate, and to also undertake a programme of 'cold' reviews of completed audits to see if there are any development points that need to be addressed</p>	<p>Medium</p>	<p>Updated arrangements for "cold reviews" and peer reviews of work will be introduced for 24/25 audit work</p>	<p>Peter Hanmer/ Debbie Baker</p> <p>September 2024</p>	<p>Some peer reviews have taken place in 2024/25.</p> <p>Due to the pressures relating to delivering the 2024/25 audit plans cold reviews have not yet taken place but the HOIA will ensure that they will take place in 2025 to inform the HOIA annual report and to enhance the Quality Assurance process</p>

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Consideration should be given to adopting a more systematic approach to carrying out the self-assessments of conformance to the Standards to ensure all elements are covered annually.	Low	<p>The HOIA will carry out a self-assessment against the new standards once they have been confirmed</p> <p>Subsequent reviews will then be done at least biannually</p>	<p>Peter Hanmer November 2024</p> <p>Peter Hanmer April 2025 onwards</p>	Review to take place in Q4 as part of the implementation of the new standards
The individual audits in the respective audit plans should be allocated a priority rating.	Low	We will enhance the audit plan and supporting documentation (e.g. the audit universe) to show the prioritisation of audits	Debbie Baker April 2025	To be considered in Q1 of 24/25.
Given the problems encountered during the year as a result of vacant posts and staff sickness, which are likely to result in the audit plans being condensed, the Head of Audit and Assurance should consider whether sufficient assurance work will be completed to enable him to issue a full assurance opinion at the end of the year, or whether it will be necessary to issue a limited scope opinion instead.	Advisory	No longer required	No longer required	

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Consideration should be given to developing a mid/long term recruitment and retention strategy for the Shared Service	Advisory	<p>We will use the revised capability framework to identify progression requirements and for willing staff embark on career pathways</p> <p>We will look to use the Councils' graduate and apprenticeship schemes where applicable to develop staff</p>	<p>Ongoing</p> <p>Ongoing</p>	Via the Council's graduate and apprenticeship schemes we have taken on three new members of the audit team
Consideration should be given to splitting the scope of the audits into 'must do' and 'only do if time permits' elements to enable auditors to complete the audits in the allocated time budgets.	Advisory	When scoping audits, we will identify the "must do" tests.	Ongoing	Being introduced

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<p>The information provided to the respective audit committees during the year on the delivery of the plan and the changes made to it, could be more informative to give the audit Committees a better understanding of how well the shared service is doing. Some of the performance measures reported to the audit committees are 'traditional measures' of service inputs and are now regarded as being out of date and not that useful for a modern insightful audit service. A more informed approach would be to provide the Audit Committees with performance data relating to 'outcomes achieved' by the Shared Service</p>	Advisory	<p>For reporting on the delivery of the 2024/25 audit plan we will be showing the status of each audit.</p>	<p>Peter Hanmer/ Debbie Baker November 2024</p>	In place
		<p>Our updates report to the audit committee will more clearly show movements in the audit plan</p>	<p>Peter Hanmer/ Debbie Baker November 2024</p>	In place
		<p>In preparation for the new standards, we will review our performance indicators to assess whether they add value</p>	<p>Peter Hanmer/ Debbie Baker March 2025</p>	<p>Reports now place more emphasis on outputs and outcomes rather than service inputs. New performance indicators will be considered for the 2025/26 plan</p>

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<p>Management should be mindful of the fact that a consultation on revising the Institute of Internal Auditors Global IPPF which is incorporated into the PSIAS, has recently taken place and any changes to the Standards arising from the consultation may affect the Service's future conformance to the Standards. It is, therefore, suggested that the Head of Audit and Assurance continues to keep a watching brief on the developments to the Standards and how this may impact the Service in the medium term</p>	<p>Advisory</p>	<p>Self- assessment of current arrangements against the new standards</p> <p>Implementation of the subsequent action plan</p> <p>Briefing to Audit Committee members on the new standards</p>	<p>Peter Hanmer November 2024</p> <p>Peter Hanmer January 2025</p> <p>Peter Hanmer January 2025</p>	<p>Revised date for the implementation date for UK Public Sector is April 2025. A full self-assessment will take place in Q4, and an action plan will subsequently be produced.</p> <p>Briefing for Audit Committee Members scheduled for January 2025.</p>