

12.10.22

The Internal Audit Consortium Manager submitted a report to inform the Joint Board of the Consortium's performance during 2021/22.

The report gave a summary of the progress made with regard to:

- The preparation of Internal Audit Plans for the three Councils
- Changes made to Working Procedures / Improvement Plans
- The Consortium's financial performance
- Staffing, training and development

It was noted that the progress of the plans had been impacted by the pandemic, however, enough of the internal audit plans had been completed to be able to give an unlimited audit opinion and any areas that were incomplete would be rolled forward to the following year. Plans would be prioritised according to risk and focus would be given to areas of concern.

An external review had taken place with positive results and an action plan had been implemented based on the recommendations.

Discussion took place around the difficulties encountered when recruiting to audit positions and it was acknowledged that this was a problem across the region and financial sector. The Risk Register had been updated to reflect the issue and this was attached to the report as Appendix 2.

As agreed at the meeting of the Joint Board on 29th March, 2022 the surplus from 2021/22 was retained and carried forward to cover any agency fees relating to unfilled vacancies, or for increased staffing costs pending the outcome of a salary benchmarking exercise / structure review.

RESOLVED:

That the annual report of the Internal Audit Consortium be approved.

The Internal Audit Consortium Manager presented an update to the Joint Board in relation to the recruitment challenges faced by the Internal Audit Consortium.

It was acknowledged that over the last few years the recruitment and retention of qualified experienced internal auditors had become increasingly difficult. This issue had been noted by CIPFA, the Local Authorities Chief Auditors Network (LACAN) and the Midlands and Nottinghamshire Audit Groups.

Staffing levels significantly affected the Consortium's ability to complete the agreed internal audit plans. Following the failure to recruit to vacant positions a salary benchmarking exercise had been undertaken. All of the Consortium's job descriptions and person specifications had been reviewed and updated.

Agency staff had been considered as a possible option, but due to the high fees charged, these would only provide a short-term solution. Recruitment agencies may generate larger fields of applicants and conversations had taken place to determine potential barriers to recruitment. The establishment of apprenticeships had been considered to improve staff retention and this idea was under development.

RESOLVED –

1. That the recruitment difficulties faced by the Consortium and the actions taken / being taken to try and fill the vacant Senior Auditor post was noted.
2. That the situation in respect of DDDC was noted.
3. That the Joint Board delegate the authority to the Service Director Finance, Section 151 Officers at BDC and NEDDC and the Head of the Internal Audit Consortium to continue to review the Internal Audit Consortium's staffing structure and salaries and to look at other alternatives including the use of market supplements for recruitment and retention.
4. That authority be delegated to the Service Director Finance, Section 151 Officers at BDC and NEDDC and the Head of the Internal Audit Consortium to increase the Consortium's budget if required to implement any agreed changes.

5. That the brought forward balance from 2021/22 as previously agreed be utilised to fund the Senior Auditor salary increase and any potential agency costs.