

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

16 NOVEMBER 2017

REPORT OF THE CHIEF INTERNAL AUDITOR

UPDATE ON STAFF VACANCIES WITHIN THE INTERNAL AUDIT SHARED SERVICE

1. Purpose of Report

- 1.1 To provide Members with an update on the current staff vacancies within the Internal Audit Service.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

- 2.1 Internal Audit's work impacts on all of the Corporate Improvement Objectives and other Corporate Priorities.

3. Background

- 3.1 Members have previously raised concerns as to the level of vacancies being carried by the service and, as a consequence of these concerns, and, as requested by the Audit Committee, an update on the current staffing vacancies is provided for Members' information.
- 3.2 Regular updates on the Internal Audit Shared Service and its performance are provided to the Audit Committee. These updates always provide the current status in relation to the structure and the number of vacant posts.
- 3.3 At the Audit Committee meeting held on the 28th September 2017, Members were informed that at the commencement of the Financial Year 2017/18, the Section was carrying 7.5 FTE vacant posts, which had subsequently increased to 9.5 at the time of reporting. In addition, Members were also informed that a re-structure of the service was underway where the proposal was to reduce the number of FTE's from 18 to 14 whilst revisiting the grades to ensure the service can attract the calibre of staff required in a competitive market place.

4. Current situation / proposal

- 4.1 As stated above, regular updates on the performance of the Internal Audit Shared Service are provided to the Audit Committee. These updates always provide the current status in relation to the structure and the number of vacant posts. The Service has been carrying vacant posts since the 2014/15 Financial Year when it was reported that 3 FTE posts within the service were vacant. This has steadily increased year on year culminating in the present position of 9.5 FTE vacancies based on the old structure. It should be noted that with the exception of one member of staff who left for family reasons, the drivers for staff resigning have been for career and / or promotional prospects and salary increase. Despite a number of recruitment campaigns, the service has not been successful in attracting the right calibre of staff.

4.2 It has been necessary to undertake a re-structure of the existing service for a number of reasons and these are listed below. All of these factors have been taken into account when reviewing the structure and future proofing the service.

- The existing structure had been in place since the Joint Shared Service Agreement was established in February 2013.
- Recruitment campaigns have been unsuccessful.
- The Public Sector Internal Audit Standards place a requirement on the Head of Audit to ensure that "internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan". Furthermore, the Head of Audit must ensure that all its internal auditors at all levels within the structure possess the knowledge, skills and other competencies needed to perform their individual responsibilities.
- Local Government, and therefore the role of audit, has changed considerably over the last five years. In addition, with the continuing requirement to work collaboratively with other Local Authorities, and indeed to provide services in a different way, this has meant that the way in which audit is functioning now and will have to function in the future is changing rapidly. This means that staff within the service will require broader skills and a more commercial outlook with regard to the service that they will audit.

4.3 The new staffing structure became effective on the 1st October 2017, reducing the number of full time posts from 18 to 14. As a consequence of this, the number of vacancies held by the service has reduced to 6.5 FTE's. The table below shows the differences between the old and new structures for information.

Old Post Designation	No.	New Post Designation	No.
Operational Manager	1	Operational Manager	1
Principal Auditor (1 vacant)	2	Audit Client Manager (1 vacant)	2
Group Auditor	2	Senior Auditor (3 vacant)	5
Group Auditor (information Security) (vacant)	1	Auditor (1/2 vacant)	4
Auditor (5.5 vacant)	9.5	Audit Assistant (2 vacant)	2
Trainee Auditor (vacant)	1		
Trainee (Information Security) (vacant)	1		
Administrative Assistant	0.5		
Total	18		14

4.4 As can be seen from the table above, the number of vacancies has now reduced from 9.5 to 6.5 FTE's. The table below provides Members with the Grade and Salary Range for each of the vacancies.

Post Designation	Number	Grade	Salary Range (£)
Audit Client Manager	1	K	40,057 to 43,821
Senior Auditor	3	H/I	27,668 to 36,379
Auditor	0.5	G	23,398 to 27,668
Audit Assistant	2	E	17,772 to 20,138
Total	6.5		

4.5 It is unclear at this stage whether the changes made to the structure will have a positive impact on the Section's ability to attract the right staff to the vacant posts. This will only be determined when the market is tested. In addition, the section must not lose sight of any future opportunities that might be available to extend the service with other Welsh authorities.

4.6 As a consequence of the vacant posts, the ability to deliver the planned audit days has been affected. In order to address the shortfall in the delivery of the productive days, the Internal Audit Shared Service has commissioned the South West Audit Partnership (SWAP) to under a number of audit reviews on our behalf. The cost of delivering these reviews will be met from within our existing budget.

5. Effect upon Policy Framework & Procedure Rules.

5.1 None.

6. Equality Impact Assessment.

6.1 There are no equality implications.

7. Financial Implications.

7.1 The restructure will result in a budget saving for the service overall.

8. Recommendation.

8.1 That the Committee note the content of the report.

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16th November 2017

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Background Documents

None