

# Pecyn Dogfen Gyhoeddus



Swyddog Cyswllt:  
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At: Cyng Helen Brown (Cadeirydd)

Y Cynghorwyr: Janet Axworthy, Geoff Collett, Chris Dolphin, Andy Dunbobbin,  
Paul Johnson ac Arnold Woolley

## **Aelod Cyfetholedig:**

Sally Ellis

19 Mawrth 2019

Annwyl Gynghorydd

Fe'ch gwahoddir i fynychu cyfarfod Pwyllgor Archwilio a fydd yn cael ei gynnal am 10.00 am Dydd Mercher, 27ain Mawrth, 2019 yn Ystafell Bwyllgor Clwyd, Neuadd y Sir, Yr Wyddgrug CH7 6NA i ystyried yr eitemau canlynol.

## **R H A G L E N**

### **1 YMDDIHEURIADAU**

**Pwrpas:** I dderbyn unrhyw ymddiheuriadau.

### **2 DATGAN CYSYLLTIAD (GAN GYNNWYS DATGANIADAU CHWIPIO)**

**Pwrpas:** I dderbyn unrhyw ddatganiad o gysylltiad a chynghori'r Aelodau yn unol a hynny.

### **3 COFNODION (Tudalennau 5 - 12)**

**Pwrpas:** I gadarnhau, fel cofnod cywir gofnodion y cyfarfod ar 15 Chwefror 2019.

### **4 DIWEDDARIAD CHWARTEROL RHEOLAETH TRYSORLYS 2018/19** (Tudalennau 13 - 28)

Adroddiad Rheolwr Cyllid Corfforaethol - Arweinydd y Cyngor Aelod o'r Cabinet dros Gyllid

**Pwrpas:** Rhoi diweddariad ar faterion sy'n ymwneud a Pholisi, Strategaeth ac Arferion Rheoli Trysorlys y Cyngor.

**5 CYNLLUN ARCHWILIO SWYDDFA ARCHWILIO CYMRU 2019 (Tudalennau 29 - 54)**

Adroddiad Rheolwr Cyllid Corfforaethol -

**Pwrpas:** Mae Swyddfa Archwilio Cymru, sy'n archwiliwr allanol y Cyngor, wedi paratoi cynnal archwiliad ar gyfer 2019 i'r Cyngor a'r Cronfa Bensiynau Clwyd, sydd yn gosod eu gwaith archwilio arfaethedig ar gyfer y flwyddyn ynghyd ag amserlenni, costau a'r timau archwilio sydd yn gyfrifol am gyflawni'r gwaith.

**6 TYSTYSGRIF GRANTIAU A FFURFLENNI 2017/18 (Tudalennau 55 - 74)**

Adroddiad Rheolwr Cyllid Corfforaethol - Arweinydd y Cyngor Aelod o'r Cabinet dros Gyllid

**Pwrpas:** Hysbysu Aelodau o'r ardystiad hawl grant gan Swyddfa Archwilio Cymru ar gyfer y flwyddyn a ddaeth i ben ar 31 Mawrth 2018.

**7 SICRWYDD RHEOLEIDDIO ALLANOL (Tudalennau 75 - 94)**

Adroddiad Prif Weithredwr -

**Pwrpas:** Cefnogi'r crynodeb o'r holl adroddiadau rheoleiddio allanol a dderbyniwyd yn ystod 2017/18 ynghyd ag ymateb y Cyngor.

**8 CYNLLUN STRATEGOL ARCHWILIO MEWNOL (Tudalennau 95 - 116)**

Adroddiad Rheolwr Archwilio Mewnol -

**Pwrpas:** Cyflwyno'r Cynllun Archwilio Mewnol arfaethedig ar gyfer 2019/20 - 2021/22 er ystyriaeth yr Aelodau.

**9 CYDYMFFURFIAETH SAFONAU ARCHWILIO MEWNOL Y SECTOR CYHOEDDUS 2018/19 (Tudalennau 117 - 174)**

Adroddiad Rheolwr Archwilio Mewnol -

**Pwrpas:** Rhoi gwybod i'r Pwyllgor am ganlyniadau'r asesiad mewnol blynyddol mewn perthynas â chydymffurfio â Safonau Archwilio Mewnol y Sector Cyhoeddus.

**10 ADRODDIAD CYNNYDD ARCHWILIO MEWNOL 2018/19 (Tudalennau 175 - 218)**

Adroddiad Rheolwr Archwilio Mewnol -

**Pwrpas:** Cyflwyno Diweddariad i'r Pwyllgor am gynnydd yr Adran Archwilio Mewnol.

11 **CYFANSODDIAD Y PWYLLGOR ARCHWILIO** (Tudalennau 219 - 222)

Adroddiad Rheolwr Archwilio Mewnol -

**Pwrpas:** Ystyried a ddylid cynyddu'r nifer o Aelodau ar y Pwyllgor Archwilio.

12 **OLRHAIN CAMAU GWEITHREDU** (Tudalennau 223 - 228)

Adroddiad Rheolwr Archwilio Mewnol -

**Pwrpas:** Hysbysu'r Pwyllgor o'r camau gweithredu sy'n deillio o bwyntiau a godwyd yng nghyfarfodydd blaenorol y Pwyllgor Archwilio.

13 **RHAGLEN GWAITH I'R DYFODOL** (Tudalennau 229 - 236)


Adroddiad Rheolwr Archwilio Mewnol -

**Pwrpas:** Ystyried Rhaglen Gwaith i'r Dyfodol yr Adran Archwilio Mewnol.

**NODYN: Cyfarfod Blynyddol gydag Archwilwyr Mewnol ac Allanol**

Yn unol â'r weithdrefn y cytunwyd arni, bydd aelodau'r Pwyllgor Archwilio yn cyfarfod gyda'r Archwilwyr Mewnol ac Allanol yn syth ar ôl y cyfarfod.

Yn gywir



Robert Robins  
Rheolwr Gwasanaethau Democraidd

Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 3

## **AUDIT COMMITTEE** **15 FEBRUARY 2019**

Minutes of the meeting of the Audit Committee of Flintshire County Council held in the Clwyd Committee Room, County Hall, Mold on Friday, 15 February 2019

### **PRESENT: Councillor Helen Brown (Chair)**

Councillors: Geoff Collett, Chris Dolphin, Andy Dunbobbin, Paul Johnson and Arnold Woolley

Co-opted member: Sally Ellis

**SUBSTITUTE:** Councillor: Mike Peers (for Andrew Holgate)

**APOLOGIES:** Chief Executive and Internal Audit Manager

**ALSO PRESENT:** Councillor Patrick Heesom attended as an observer

### **IN ATTENDANCE:**

Chief Officer (Governance); Principal Auditor; Corporate Finance Manager; and Democratic Services Officer

Interim Finance Manager (Technical Accountancy) (for minute numbers 45 & 46)

Corporate Business & Communications Executive Officer (for minute number 47)

Wales Audit Office representatives

Matthew Edwards and Mike Whiteley

## **42. SUBSTITUTION**

In accordance with Constitutional requirements, the Committee agreed to allow Councillor Mike Peers to substitute for Councillor Andrew Holgate. It was confirmed that Councillor Peers had undertaken the necessary audit training.

### **RESOLVED:**

That Councillor Mike Peers be permitted as a substitute for the meeting.

## **43. DECLARATIONS OF INTEREST**

None.

## **44. MINUTES**

The minutes of the meeting held on 21 November 2018 were received.

### **RESOLVED:**

That the minutes be approved as a correct record and signed by the Chair.

**45. TREASURY MANAGEMENT STRATEGY 2019/20; TREASURY MANAGEMENT POLICY STATEMENT, PRACTICES AND SCHEDULES 2019/20-2021/22; TREASURY MANAGEMENT QUARTER 3 UPDATE 2018/19**

The Interim Finance Manager - Technical Accountancy presented the draft Treasury Management Strategy 2019/20, Policy Statement, Practices and Schedules 2019-2022 for review and recommendation to Cabinet prior to adoption by County Council. All Members had been invited to a training session on 29 January in preparation for approving the Strategy at full Council in February. Also presented for information was the quarterly update on matters relating to the Council's Treasury Management Strategy 2018/19.

There were no significant changes to the overarching Treasury Management Policy Statement and key sections were highlighted on economic and local context, along with investment and borrowing strategies. Explanation was given on changes such as the separation of the Capital Strategy and Asset Management Plan, and the Council's approach in relation to broader definition of types of investments, as detailed in the report.

In response to queries from Councillor Peers, it was explained that usable reserves held as cash could be made available for investment. He said that details of short-term loans reported should be accompanied by the rationale and that investments should generate sufficient income. He raised a number of queries on the Strategy, such as the need to clear debt rather than investing at low interest rates and to test borrowing against affordability to avoid penalties when restructuring debt. He went on to question an investment and loan taken out at the same time which equated to a loss in interest.

The Interim Finance Manager explained that details of prudential indicators included in the Capital Strategy demonstrated the cost of borrowing as a percentage of income. The Corporate Finance Manager confirmed that the percentage was monitored and currently below that of many other North Wales councils.

On other queries, the recent Treasury Management training session had covered in detail the approach to repaying long-term loans at the most appropriate time and short-term borrowing was undertaken to adjust to fluctuations in cashflow levels at any given time, which was normal practice. Whilst it was acknowledged that the long-term borrowing position reflected many historic decisions, future long-term loans were fixed at a lower rate in conjunction with the advice of the Council's Treasury Management advisors. EU legislative requirements through the Markets in Financial Instruments Directive (MiFID) on the retention of cash as investments provided more flexibility in the market, but meant that it was possible for investment and borrowing to be undertaken at the same time.

The Chief Officer (Governance) said that historic borrowing decisions were based on information and interest rates available at that point in time and that there was now increased scrutiny on borrowing. In highlighting the strategic risk on maintaining school buildings, he spoke about the difficult balance between investing in assets and the cost of borrowing.

The Corporate Finance Manager said that the majority of borrowing in the revenue account was supported by Welsh Government funding for the core capital element.

Councillor Woolley acknowledged the need for essential spend and raised concerns about the limit on the cost of borrowing against a decreasing Council Fund. In response to questions, a breakdown of the £13.9m total budget for interest loan paid was approximately 40% for the Housing Revenue Account (HRA) and 60% for the Council Fund. On the affordability ceiling, prudential indicators provided a mechanism for any unsupported borrowing to be considered in the context of the Medium Term Financial Strategy. Information on schemes funded by supported and prudential borrowing were shown in the Capital Programme along with examples of the effects of borrowing.

Councillor Dunbobbin suggested a bolder approach to investment in view of the financial climate, for example the approach taken by some authorities in England to invest in hotels and buildings which could provide a better return. The Corporate Finance Manager said that all opportunities for income generation were being explored.

The Chief Officer advised that concerns had been raised in England by the National Audit Office about the extent of commercial investments and that often such investments were outside the geographical area of the council and were for purely commercial purposes rather than any social benefit within the area of the particular council. Councillor Dunbobbin was advised that such a request for discussion should be directed to the Corporate Resources Overview & Scrutiny Committee.

**RESOLVED:**

- (a) That having reviewed the draft Treasury Management Strategy 2019/20, draft Treasury Management Policy Statement 2019-2022 and draft Treasury Management Practices and Schedules 2019-2022, the Committee has no specific issues to be reported to Cabinet on 19 February 2019; and
- (b) That the Treasury Management 2018/19 quarterly update be noted.

**46. WALES AUDIT OFFICE (WAO) - ANNUAL AUDIT LETTER 2017/18**

The Corporate Finance Manager introduced the Annual Audit Letter issued by the Wales Audit Office (WAO) which set out the key messages arising from the 2017/18 audit, as required by the Auditor General for Wales.

Matthew Edwards of WAO confirmed that the Council had appropriate arrangements to secure economy, efficiency and effectiveness in the use of resources and had met statutory requirements on continuous improvement. The outcome of work completed on the certification of grant claims and returns would be reported in March. The scale of the financial challenge was a common issue

amongst authorities in Wales and demonstrated the need to maximise opportunities for income generation and alternative delivery models.

On the recognition of an 'annual funding gap', Councillor Peers sought views on the future position of the Council. Matthew Edwards spoke about planned work on financial sustainability across the public sector in Wales, with local findings to be reported back to the Committee once completed. There was regular communication with officers and the Audit Plan in March would provide more detail on the approach to be taken by WAO to assess the financial sustainability of the Council.

Following a question by Councillor Woolley, officers explained the difficulty in comparing performance on planned efficiencies by councils. Matthew Edwards agreed to share a link to recent reports issued by the WAO on the financial position of councils in Wales.

**RESOLVED:**

That the Wales Audit Office Annual Audit Letter for 2017/18 be noted.

**47. RISK MANAGEMENT UPDATE**

The Corporate Business & Communications Executive Officer presented an update on the strategic risks at Quarter 3 contained within the Council's 2018/19 Council Plan, together with a more specific update to show how risk management fitted into the financial and business planning cycle of the Council.

A presentation was given on the model for the cycle which comprised of three elements - financial planning, internal business planning, and controls and external context. On the second element, it was noted that for 2019, Part 1 of the Council Plan would be set in May. The model, which had been developed with the assistance of Chief Officers, had been well received by Corporate Resources Overview & Scrutiny Committee Members who had requested it. During the quarterly update, attention was drawn to details of the seven red risks and others which had been closed in-year.

On risk ST152, Councillor Peers disagreed with the green risk trend as the delivery of affordable housing through the private sector was not being met due to attempts by developers to avoid their obligations under the HSG10 policy. He felt that the risk should be re-examined (with Planning colleagues), together with the escalating risk on debt levels in relation to affordability of rent or Council Tax.

On the latter, the Chief Officer (Governance) referred to the forthcoming joint meeting with Overview & Scrutiny Chairs which would allocate responsibility for monitoring risks. He remarked on a forthcoming Overview & Scrutiny report on rent arrears and proposed national changes which may affect Council Tax collection rates.

In highlighting the importance of income collection, Sally Ellis suggested that wording on the risk for debt levels be expanded to capture a broader range of individuals who may be impacted, for example through increased Council Tax.



Councillor Johnson pointed out that it was not only Council tenants who would be affected by Council Tax rises.

The Chief Officer explained that the wording reflected the higher exposure to risk to individuals affected by Universal Credit. The Executive Officer said that development of the Council Plan for 2019/20 would be an appropriate time to review the wording under the poverty theme.

The Principal Auditor confirmed that both issues were included in the Audit Plan for 2019, subject to approval.

**RESOLVED:**

That the status of the initial overview of strategic risks of the 2018/19 priorities of the Council be noted.

**48. ANNUAL REVIEW OF THE CODE OF CORPORATE GOVERNANCE**

The Corporate Business & Communications Executive Officer presented a report on the updated Code of Corporate Governance on which the Committee had previously received a briefing. The report was to be submitted to the Constitution & Democratic Services Committee.

In accordance with usual practice, the Code had been updated following review by the Corporate Governance Working Group and consultation with senior officers. The main changes related to partnership working, Member development and the improved engagement between the Audit Committee and Overview & Scrutiny Chairs.

**RESOLVED:**

That the updated Code of Corporate Governance be endorsed for adoption as part of the Council's Constitution.

**49. INTERNAL AUDIT PROGRESS REPORT**

The Principal Auditor presented the update on progress of the Internal Audit department including changes to the audit plan, action tracking and investigations.

None of the reports finalised since the last meeting included Red opinions and a satisfactory management response had been given to issues identified in the only Red/Amber report. Information on cumulative assurance levels by portfolio were shared, as requested at the facilitation workshop.

On action tracking, Sally Ellis agreed with the suggestion that those of the 16 overdue actions without responses should be referred to the Chief Officer team in the first instance. She sought assurance that actions on the Amber/Red report for the Strategic Housing & Regeneration Project (SHARP) were being monitored or that it be brought for discussion at the joint meeting with Overview & Scrutiny.

Councillor Peers asked why the Planning Enforcement audit remained Red following the appointment of two Enforcement Officers and discussion at Planning Strategy Group. The report included the original risk rating of the report in order to assist Members to track and follow up issues that were a high priority. Councillor Dolphin raised concerns that further resources would be needed to address the backlog of work. Councillor Woolley raised similar concerns about capacity. Internal Audit was satisfied that the risk was being managed and the original Red status would remain until all actions had been implemented. The Chief Officer acknowledged that legal processes could be complex but that conclusions would be reached. Monitoring would continue to ensure that measured progress was being made to reduce the backlog.

Councillor Johnson commented that the names of officers should not be shown in the reports.

**RESOLVED:**

That the report be accepted.

**50. CORPORATE ANTI-FRAUD & CORRUPTION STRATEGY AND FRAUD & IRREGULARITY RESPONSE PLAN**

The Principal Auditor presented the report on the updated Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan.

The Chief Officer (Governance) said that the revised document provided more clarity for individuals outside the Council and that contractors would be made aware as part of the procurement bidding process.

Sally Ellis reiterated issues which she had raised with the Internal Audit Manager at the pre-briefing. These related to the importance of the Committee receiving an overview of fraud issues, clearer definition of 'irregularity' in the Strategy and consistency on where safeguarding issues were dealt with. In response to further comments, the Principal Auditor provided details on the rollout of the training programme on the Strategy.

Councillor Johnson commented that the report should indicate the relevant Cabinet Member responsibility or otherwise, despite the fact that this was a non-executive function. On consultation with Trade Unions, it was confirmed that feedback had been incorporated into the documents.

It was agreed that 'where applicable' should be removed from section 8.15 of the Strategy and that the double negative in section 2.6 would be corrected.

**RESOLVED:**

- (a) That subject to the amendments, the updated Corporate Anti-Fraud & Corruption Strategy be agreed; and
- (b) That the updated Fraud & Irregularity Response Plan be agreed.

**51. WHISTLEBLOWING POLICY**

The Principal Auditor presented the report on the updated Whistleblowing Policy which incorporated some minor changes.

As mentioned at the pre-briefing, Sally Ellis suggested that the policy include volunteers and that the Committee receive an overview of issues raised through the policy to provide an opportunity to feedback into the policy-making process.

**RESOLVED:**

That the updated Whistleblowing Policy be approved.

**52. ACTION TRACKING**

The Principal Auditor presented the update report on actions arising from previous meetings, most of which had been completed or were in progress.

Councillor Peers commented on the correct use of acronyms.

**RESOLVED:**

That the report be accepted.

**53. FORWARD WORK PROGRAMME**

The Principal Auditor presented the current Forward Work Programme for consideration.

**RESOLVED:**

- (a) That the Forward Work Programme be accepted; and
- (b) That the Internal Audit Manager, in consultation with the Chair and Vice-Chair of the Committee, be authorised to vary the Forward Work Programme between meetings, as the need arises.

**54. ATTENDANCE BY MEMBERS OF THE PRESS AND PUBLIC**

There were no members of the press or public in attendance.

The meeting commenced at 10am and finished at 11.45am

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**Chair**

Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 4



## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday 27 <sup>th</sup> March 2019
<b>Report Subject</b>	Treasury Management Quarterly Update 2018/19
<b>Cabinet Member</b>	Leader and Cabinet Member for Finance
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

## EXECUTIVE SUMMARY

The report provides an update on matters relating to the Council's Treasury Management Policy, Strategy and Practices 2018/19 to the end of February 2019.

## RECOMMENDATIONS

1	Members note the Treasury Management 2018/19 quarterly update.
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE QUARTERLY UPDATE</b>
1.01	The Council has nominated the Audit Committee to be responsible for ensuring effective scrutiny of Treasury Management Strategy and Policies. The Audit Committee has previously agreed to include Treasury Management as a standing item on each quarterly agenda to receive an update.
1.02	On 16 <sup>th</sup> February 2016 the Council approved the Treasury Management Policy Statement 2016-2019 and Treasury Management Practices 2016-2019, following the recommendation of the Cabinet and consideration by the Audit Committee.

1.03	On 20 <sup>th</sup> February 2018, the Council approved the Treasury Management Strategy 2018/19, following the recommendation of the Cabinet and consideration by the Audit Committee.
1.04	A statement setting out the Council's investments as at 28 <sup>th</sup> February 2019 is attached at Appendix 1 and shows that the investment balance at this time was £17.7m, spread across 6 counterparties with an average investment rate of 0.75%.
1.05	A schedule of outstanding loans as at 28 <sup>th</sup> February 2019 is attached as Appendix 2, with total long-term borrowing of £271.3m with a weighted average interest rate of 4.79%.
1.06	Appendix 3 shows the Council's short term borrowing as at 28 <sup>th</sup> February 2019. The total amount of loans outstanding was £27.0m with an average interest rate payable of 0.94%.
1.07	<p>The borrowing strategy throughout 2018/19 has been to monitor capital expenditure plans to confirm the Council's long term borrowing need. This is to ensure that the Council does not commit to long term borrowing too early and borrow unnecessarily which will be costly.</p> <p>Short term borrowing continues to be available at much lower rates than long term borrowing and is currently being utilised as far as possible without exposure to excessive refinancing risk.</p> <p>The structure of the Council's borrowing portfolio is constantly being reviewed as interest rates are forecast to rise, using current forecasts short term borrowing will be more cost effective over the medium term compared with long term borrowing.</p> <p>In the near future it is likely that borrowing long term could represent a better deal over the long term but this would be more expensive in the short to medium term and will reduce the flexibility of our debt portfolio. The position is finely balanced and is being monitored closely.</p>
1.08	<p><b><u>Economic update – Provided by Arlingclose</u></b></p> <p>The uncertain political situation surrounding Brexit has produced the prospect of divergent paths for UK monetary policy. Recent political manoeuvrings appear aimed at avoiding the worst-case Brexit scenarios, which may suggest reduced downside risks to the economic outlook and the interest rate forecast, although it is too soon to reflect this in the Arlingclose forecast. The Bank of England Monetary Policy Committee (MPC) bias towards tighter monetary policy remains, but appears to have eased a little on the back of slower global and UK growth/inflation expectations. Policymakers are unlikely to raise Bank Rate unless there is a withdrawal arrangement and the prospect of a transitional period. Both our projected outlook and the increase in the magnitude of political and economic risks facing the UK economy means we maintain the significant downside risks to our forecasts, despite the potential for stronger growth following an extension to Article 50 or a withdrawal agreement as business investment/general confidence recovers. The potential for severe economic outcomes in the short term is uncomfortably higher than it should be. We</p>

	<p>expect the Bank of England to hold at or reduce interest rates from current levels if Brexit risks materialise. The UK economic environment appears relatively soft, despite seemingly strong labour market data. Uncertainty surrounding Brexit and global growth is damaging consumer and business sentiment. GDP growth slowed markedly in Q4 2018 and has not recovered in Q1 2019. Our view is that the UK economy faces a challenging outlook as the country exits the European Union and Eurozone/global economic growth softens, notwithstanding a possible short term bounce in activity should a Brexit deal be agreed. Cost pressures have eased due to a fall in oil prices. The apparent tight labour market risks longer term domestically-driven inflationary pressure whatever the external inflation effects. Wage growth has picked up in recent months. Global economic growth has eased and the economic/political outlook has prompted central banks to reduce expectations for on-going monetary tightening. Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets. The optimism about global growth evident in the second half of 2017 continued into 2018, with repercussions for central bank decision-making and interest rate expectations. Expectations for the US economy in particular were riding high, after strong Q3 GDP growth and the Donald Trump-driven tax reforms eventually passed late in 2017, while Eurozone activity continued to strengthen.</p>
1.09	<p><b><u>Interest Rate Forecast</u></b></p> <p>Arlingclose Ltd, the Council Treasury Management Advisors have provided an interest rate projection, which is for a Bank Rate rise of 0.25% in December 2019 and June 2020.</p> <p>Any borrowing that the Council undertakes is linked to Gilt yields, which have remained at low levels. The Arlingclose projection is for some upward movement from current levels based on a Brexit transitional period. However, the projected weak economic outlook and volatility arising from both economic and political events will continue to offer borrowing opportunities.</p>
1.10	<p><b><u>Credit Rating Update</u></b></p> <p>Arlingclose have informed the Council that the credit ratings agency Fitch has placed the long-term ratings of UK banks on Rating Watch Negative (RWN). This means that the credit ratings agency is considering lowering the company's credit rating. Arlingclose has advised the RWN reflects the heightened uncertainty over the ultimate outcome of the Brexit process and the increased risk of a disruptive 'no-deal' Brexit, where the UK leaves the EU without a withdrawal agreement in place.</p> <p>Arlingclose have advised the Council that they are comfortable with the Council continuing making deposits with a majority of UK banks, in compliance with our Treasury Strategy. However where a credit rating agency announces that the rating for a company is under review for possible downgrade leading to a possibility that the rating could fall below the Council's investment criteria, then the Council will make no further investments in that company until the outcome of the review is announced.</p>

1.11	<p><b><u>No-Deal Brexit Preparations</u></b></p> <p>To ensure the Council is prepared to manage the risks associated with a no deal Brexit the Council has sought advice from Arlingclose and devised an action plan to address the following risks to mitigate risks arising from a no-deal scenario;</p> <ul style="list-style-type: none"> <li>• Security and liquidity of the Council’s investments,</li> <li>• Legislative changes that would impact immediate Treasury operations, and;</li> <li>• The availability of cash to borrow post Brexit.</li> </ul> <p><b><u>Security and Liquidity of Portfolio:</u></b></p> <p>In advance of the Brexit leaving date of the 29<sup>th</sup> of March, all investments which are held by the Council will be invested in the Debt Management Office (DMO)’s deposit account. Holding the Council’s cash with a Central Government deposit is considered the most secure location. After the leaving date the Council and Arlingclose will be better placed to assess the risk of continuing to invest in Money Market Funds (MMFs) and Banks.</p> <p><b><u>Impact of Legislative changes:</u></b></p> <p>The main consideration in the short term for the Council will be the ‘passporting’ for organisations we borrow and invest with. This means that if an organisation is registered with their local regulator (FCA in the UK), then no further registration will be required to for the organisation to operate. The local registration will ‘passport’ into all EU countries and vice versa. The UK is proposing to put in place a temporary permissions regime to allow EU entities and funds currently passported into the UK under the EU financial service legislation to continue to operate in the UK for a limited period after 29 March 2019. The temporary permission regime will be available for up to three years after this period while an alternative regime is being agreed. This should allow a smooth continuation of investment in MMFs domiciled outside the UK post Brexit.</p> <p><b><u>Availability of Cash post-Brexit:</u></b></p> <p>The Council manages its daily cash requirement on the basis of estimated cash flows and has put in place the necessary arrangements to ensure that it has sufficient cash in place to cover the Brexit and year end period. If there is a no deal Brexit this will probably support the local authority borrowing market. Other Local Authorities will be taking a risk averse approach to Treasury Management around the Brexit date and will be making short term investments with other Local Authorities. Overall the Council is comfortable that it will be able to secure cash to cover our short term day-to-day cash requirements.</p>
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2.00	<b>RESOURCE IMPLICATIONS</b>
2.01	The financial implications of changes to investing and borrowing rates as set out in the report will be factored into the next revenue budget report; no other resource implications directly as a result of this report.



<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Arlingclose Ltd, being the Council's treasury management advisors.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Risk Management directly addressed within the report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<ol style="list-style-type: none"> <li>1. Investment Portfolio as at 28<sup>th</sup> February 2019</li> <li>2. Long Term Borrowing Portfolio as at 28<sup>th</sup> February 2019</li> <li>3. Short Term Borrowing Portfolio as at 28<sup>th</sup> February 2019</li> </ol>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Paul Vaughan – Technical Finance Manager  <b>Telephone:</b> 01352 702289  <b>E-mail:</b> <a href="mailto:paul.vaughan@flintshire.gov.uk">paul.vaughan@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Bank Rate:</b> The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate".</p> <p><b>Basis Point:</b> A unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent). In most cases, it refers to changes in interest rates and bond yields. For example, if interest rates rise by 25 basis points, it means that rates have risen by 0.25% percentage points.</p> <p><b>Bond:</b> A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.</p> <p><b>Capital Expenditure:</b> Expenditure on the acquisition, creation or enhancement of capital assets.</p> <p><b>Capital Financing Requirement (CFR):</b> The Council's underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.</p>

**Credit Default Swaps:** Similar to an insurance policy against a credit default.

**Certificates of Deposits (CD's):** A savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. CDs are generally issued by commercial banks. The term of a CD generally ranges from one month to five years.

**Cost of Carry:** The “cost of carry” is the difference between what is paid to borrow compared to the interest which could be earned. For example, if one takes out borrowing at 5% and invests the money at 1.5%, there is a cost of carry of 3.5%.

**Consumer Price Index (CPI):** The UK's main measure of inflation (along with Retail Price Index or 'RPI') The Monetary Policy Committee of the Bank of England set the Bank Rate in order to try and keep CPI at or close to the target set by the Government. The calculation of CPI includes many items of normal household expenditure but excludes some items such as mortgage interest payments and Council Tax.

**Credit Rating:** Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.

**Corporate Bonds:** Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.

**Counterparty List:** List of approved financial institutions with which the Council can place investments.

**Custodian:** A custodian is a financial institution that holds customers' securities for safekeeping to minimise the risk of their theft or loss. Most custodians also offer other services, such as account administration, transaction settlements, collection of dividends and interest payments and foreign exchange.

**Debt Management Office (DMO):** The DMO is an Executive Agency of Her Majesty's Treasury and provides direct access for local authorities into a government deposit facility known as the Debt Management Account Deposit Facility (DMADF). All deposits are guaranteed by HM Government and therefore have the equivalent of a sovereign credit rating.

**Federal Reserve:** The US central bank, the equivalent of the Bank of England. (Often referred to as “the Fed”).

**Financial Instruments:** Financial instruments are tradable assets of any kind. They can be cash, evidence of an ownership interest in an entity, or a contractual right to receive or deliver cash or another financial instrument.

**Gilts:** Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged'. They are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

**LIBID:** The London Interbank Bid Rate (LIBID) is the rate bid by banks on Eurocurrency deposits (i.e. the rate at which a bank is willing to borrow from other banks).

**LIBOR:** The London Interbank Offered Rate (LIBOR) is the rate of interest that banks charge to lend money to each other. The British Bankers' Association (BBA) work with a small group of large banks to set the LIBOR rate each day. The wholesale markets allow banks who need money to borrow from those with surplus amounts. The banks with surplus amounts of money are keen to lend so that they can generate interest which it would not otherwise receive.

**LOBO:** Stands for Lender Option Borrower Option. The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility.

**IFRS:** International Financial Reporting Standards.

**Maturity:** The date when an investment or borrowing is repaid.

**Maturity Structure / Profile:** A table or graph showing the amount (or percentage) of debt or investments maturing over a time period.

**Monetary Policy Committee (MPC):** Government Body that sets the Bank Rate. Its primary target is to keep inflation within 1% of a central target of 2%. Its secondary target is to support the Government in maintaining high and stable levels of growth and employment.

**Money Market Funds (MMF):** Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.

**MiFID II (Markets in Financial Instruments Directive):** EU legislation that regulates firms who provide services to clients linked to 'financial instruments'. As a result of MiFID II, from 3rd January 2018 local authorities will be treated as retail clients but can "opt up" to professional client status, providing that they meet certain qualitative and quantitative criteria.

**Minimum Revenue Provision (MRP):** An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.

**Non Specified Investment:** Investments which fall outside the WG Guidance for Specified investments (below).

**Operational Boundary:** This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

**Premiums and Discounts:** In the context of local authority borrowing,  
(a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and  
(b) the discount is the gain arising when a loan is redeemed prior to its maturity date.

**Prudential Code:** Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

**Prudential Indicators:** Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators

**Public Works Loans Board (PWLB):** The PWLB is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

**Quantitative Easing (QE):** QE is a form of monetary policy where a Central Bank creates new money electronically to buy financial assets, like government bonds. This cash injection lowers the cost of borrowing and boosts asset prices to support spending.

**Revenue Expenditure:** Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.

**Retail Price Index (RPI):** A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent.

**Term Deposits:** Deposits of cash with terms attached relating to maturity and rate of return (Interest).

**Specified Investments:** Term used in the Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than one year. UK government, local authorities and bodies that have a high credit rating.

**Supported Borrowing:** Borrowing for which the costs are supported by the government or third party.

**Supranational Bonds:** Instruments issued by supranational organisations created by governments through international treaties (often called multilateral development banks). The bonds carry an AAA rating in their own right. Examples of supranational organisations are the European Investment Bank, the International Bank for Reconstruction and Development.

**Treasury Bills (T-Bills):** Treasury Bills are short term Government debt instruments and, just like temporary loans used by local authorities, are a means to manage cash flow. They are issued by the Debt Management Office and are an eligible sovereign instrument, meaning that they have an AAA-rating.

**Treasury Management Code:** CIPFA's Code of Practice for Treasury Management in the Public Services, initially brought in 2003, subsequently updated in 2009 and 2011.

**Treasury Management Practices (TMP):** Treasury Management Practices set out the manner in which the Council will seek to achieve its policies and objectives and prescribe how it will manage and control these activities.

**Temporary Borrowing:** Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.

**Unsupported Borrowing:** Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.

**Yield:** The measure of the return on an investment instrument.

Mae'r dudalen hon yn wag yn bwrpasol

**FLINTSHIRE COUNTY COUNCIL - INVESTMENT PORTFOLIO**

**28th FEBRUARY 2019**

**APPENDIX 1**

Tudalen 23

Counterparty Name	Amount Invested £m	Start Date	Maturity Date	Interest Rate	Investment Interest £	Type of Investment	Period to Maturity
ABERDEEN LIQUIDITY FUND	3.0	17/10/18	31/03/19	0.74%	5,651	MMF	1 month or less
<b>ABERDEEN LIQUIDITY FUND</b>	<b>3.0</b>						
AVIVA INVESTORS	3.0	23/11/18	31/03/19	0.79%	3,144	MMF	1 month or less
<b>AVIVA INVESTORS</b>	<b>3.0</b>						
CCLA PUBLIC SECTOR DEPOSIT	3.0	03/05/18	31/03/19	0.71%	16,545	MMF	1 month or less
<b>CCLA PUBLIC SECTOR DEPOSIT</b>	<b>3.0</b>						
FEDERATED INVESTORS (UK)	3.0	03/04/18	31/03/19	0.74%	12,380	MMF	1 month or less
<b>FEDERATED INVESTORS (UK)</b>	<b>3.0</b>						
INSIGHT LIQUIDITY FUND PLC	3.0	03/04/18	31/03/19	0.76%	12,868	MMF	1 month or less
<b>INSIGHT LIQUIDITY FUND PLC</b>	<b>3.0</b>						
INVESCO AIM	2.7	03/04/18	31/03/19	0.77%	9,453	MMF	1 month or less
<b>INVESCO AIM</b>	<b>2.7</b>						
<b>TOTAL</b>	<b>17.7</b>			<b>0.75%</b>	<b>60,040</b>		
<b>PREVIOUS REPORTS TOTALS (31st DECEMBER 2018)</b>	<b>22.6</b>			<b>0.67%</b>			

**FLINTSHIRE COUNTY COUNCIL - INVESTMENTS SUMMARISED BY TYPE & MATURITY**

**28th FEBRUARY 2019**

**APPENDIX 1**

Tudalen 24

Type of Investment	Total Amount Invested £m	% of Total Portfolio	Period to Investment Maturity			
			1 month or less £m	1 - 3 months £m	3 months + £m	12 months + £m
Debt Management Office (DMO)	0.0	0%				
UK Bank	0.0	0%				
UK Building Society (UK BS)	0.0	0%				
Overseas	0.0	0%				
Local Authorities	0.0	0%				
CD's	0.0	0%				
T-Bills	0.0	0%				
Money Market Funds (MMF)	17.7	100%	17.7			
<b>Total (£)</b>	<b>17.7</b>		<b>17.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total (%)</b>		<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>



FLINTSHIRE COUNTY COUNCIL - LONG TERM BORROWING ANALYSIS

28th FEBRUARY 2019

APPENDIX 5

Loan Start Date	Principal Loan Outstanding £	Interest Rate %	Annual Interest £	Loan Maturity Date
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PWLB Fixed Rate Maturity Loans				
20/03/86	2,436,316	9.50	231,450	30/11/25
01/04/86	1,392,181	9.13	127,036	30/11/23
01/04/86	1,218,158	9.13	111,157	30/11/21
24/03/88	696,090	9.13	63,518	30/11/27
25/08/88	696,090	9.50	66,129	31/03/28
26/10/88	870,113	9.25	80,485	30/09/23
26/05/89	1,044,135	9.50	99,193	31/03/25
26/05/89	1,044,135	9.50	99,193	31/03/29
28/09/95	561,642	8.25	46,335	30/09/32
28/09/95	181,120	8.63	15,622	30/09/32
28/09/95	348,045	8.25	28,714	30/09/27
28/09/95	696,090	8.25	57,427	30/09/28
28/09/95	1,740,226	8.25	143,569	30/09/29
28/09/95	1,740,226	8.25	143,569	30/09/30
28/09/95	1,740,226	8.25	143,569	30/09/31
28/09/95	522,068	8.25	43,071	30/09/21
28/09/95	696,090	8.25	57,427	30/09/24
28/09/95	1,740,226	8.25	143,569	30/09/26
28/09/95	1,000,282	8.63	86,274	30/09/22
18/04/97	2,000,000	7.75	155,000	18/10/27
18/04/97	2,000,000	7.75	155,000	18/10/28
18/04/97	2,000,000	7.75	155,000	18/10/29
18/04/97	2,000,000	7.75	155,000	18/10/30
17/07/97	4,000,000	7.13	285,000	31/03/55
17/07/97	4,000,000	7.13	285,000	31/03/56
17/07/97	4,492,873	7.13	320,117	31/03/57
17/07/97	3,500,000	7.00	245,000	31/03/55
17/07/97	3,500,000	7.00	245,000	31/03/56
17/07/97	3,278,252	7.00	229,478	31/03/57
20/05/98	1,333,332	5.75	76,667	18/04/31
20/05/98	1,050,000	6.00	63,000	18/04/26
09/06/98	2,000,000	5.75	115,000	30/09/32
09/06/98	3,000,000	5.75	172,500	30/09/33
09/06/98	4,000,000	5.75	230,000	30/09/34
17/09/98	3,850,000	5.25	202,125	31/03/58
08/12/98	1,200,000	4.75	57,000	31/03/54
08/12/98	2,500,000	4.75	118,750	31/03/58
08/12/98	4,800,000	4.50	216,000	31/03/54
01/04/99	6,000,000	4.63	277,500	31/03/53
22/04/99	4,000,000	4.50	180,000	31/03/52
10/08/99	1,700,000	4.50	76,500	31/03/53
10/08/99	3,700,000	4.50	166,500	31/03/52
10/08/99	7,700,000	4.50	346,500	31/03/51
10/08/99	7,700,000	4.50	346,500	31/03/50
10/08/99	7,700,000	4.50	346,500	31/03/49
10/08/99	7,700,000	4.50	346,500	31/03/48
05/04/01	2,500,000	4.75	118,750	31/03/25
15/11/01	1,400,000	4.50	63,000	31/03/23
15/11/01	1,350,000	4.50	60,750	31/03/22
02/08/05	1,700,000	4.45	75,650	18/04/31
02/08/05	4,900,000	4.45	218,050	18/04/32
02/08/05	4,600,000	4.45	204,700	18/04/33
02/08/05	1,800,000	4.45	80,100	18/04/34
02/08/05	2,244,611	4.45	99,885	18/04/35
02/04/15	10,800,000	4.11	443,880	02/10/34
02/04/15	9,000,000	4.13	371,700	02/04/35
02/04/15	9,000,000	4.14	372,600	02/10/35
02/04/15	9,000,000	4.16	374,400	02/04/36
02/04/15	8,000,000	4.17	333,600	02/10/36
02/04/15	7,000,000	4.18	292,600	02/04/37
02/04/15	7,000,000	4.19	293,300	02/10/37
02/04/15	7,000,000	4.20	294,000	02/04/38
02/04/15	7,000,000	4.21	294,700	02/10/38
02/04/15	5,448,094	4.22	229,910	02/04/39
06/12/18	10,000,000	2.64	264,000	06/12/68
<b>Total</b>	<b>230,810,621</b>	<b>5.13</b>	<b>11,840,018</b>	

Market Fixed Rate Loans (LOBOS)				
24/07/07	6,350,000	4.48	284,480	24/01/40
24/07/07	6,300,000	4.53	285,075	24/01/41
24/07/07	6,300,000	4.58	288,540	24/01/42
<b>Total</b>	<b>18,950,000</b>	<b>4.53</b>	<b>858,095</b>	

PWLB Fixed Rate Annuity Loans				
06/12/18	7,530,000	2.79	209,496	06/01/63
<b>Total</b>	<b>7,530,000</b>	<b>2.79</b>	<b>209,496</b>	

PWLB Variable Rate Maturity Loans				
05/05/10	10,000,000	0.88	88,000	05/05/20
<b>Total</b>	<b>10,000,000</b>	<b>0.88</b>	<b>88,000</b>	

Other Government Loans				
08/06/17	621,772	0.00	0.00	01/04/21
21/09/17	350,000	0.00	0.00	01/04/22
19/12/17	350,000	0.00	0.00	01/04/23
27/03/18	1,729,128	0.00	0.00	01/10/28
21/10/15	460,000	0.00	0.00	31/03/30
20/10/16	400,000	0.00	0.00	31/03/31
04/12/18	123,000	0.00	0.00	01/10/22
<b>Total</b>	<b>4,033,900</b>	<b>0</b>	<b>0</b>	

Totals				
<b>Fixed Rate</b>	<b>238,340,621</b>		<b>12,049,514</b>	
<b>Variable Rate</b>	<b>10,000,000</b>		<b>88,000</b>	
<b>LOBOs</b>	<b>18,950,000</b>		<b>858,095</b>	
<b>Other</b>	<b>4,033,900</b>		<b>0</b>	
<b>Grand Total</b>	<b>271,324,521</b>	<b>4.79</b>	<b>12,995,609</b>	

■ HRAS Buyout Loans

Mae'r dudalen hon yn wag yn bwrpasol

**FLINTSHIRE COUNTY COUNCIL - SHORT TERM BORROWING**

**28th FEBRUARY 2019**

**APPENDIX 3**

Tudalen 27

Counterparty Name	Amount Borrowed £m	Start Date	Maturity Date	Interest Rate	Interest due £	Brokerage due £	Period to Maturity
BASINGSTOKE & DEANE BOR COUNCIL	5.0	01/02/19	10/04/19	0.90%	8,384	466	1 - 3 months
<b>BASINGSTOKE &amp; DEANE BOR COUNCIL</b>	<b>5.0</b>						
BRISTOL CITY COUNCIL	5.0	01/02/19	01/04/19	0.90%	7,274	404	1 - 3 months
<b>BRISTOL CITY COUNCIL</b>	<b>5.0</b>						
DERBYSHIRE PENSION FUND	9.0	20/02/19	03/05/19	1.00%	17,753	888	1 - 3 months
<b>DERBYSHIRE PENSION FUND</b>	<b>9.0</b>						
KENT COUNTY COUNCIL	5.0	01/02/19	10/04/19	0.90%	8,384	466	1 - 3 months
<b>KENT COUNTY COUNCIL</b>	<b>5.0</b>						
LONDON BOROUGH OF REDBRIDGE	3.0	20/02/19	20/05/19	0.95%	6,949	366	1 - 3 months
<b>LONDON BOROUGH OF REDBRIDGE</b>	<b>3.0</b>						
<b>TOTAL</b>	<b>27.0</b>			<b>0.94%</b>	<b>48,744</b>	<b>2,590</b>	

**SHORT TERM BORROWING SUMMARISED BY TYPE & MATURITY**

**28th FEBRUARY 2019**

**APPENDIX 3**

SHORT TERM BORROWING TYPE	Total Amount Borrowed £m	% of Total Portfolio	Period to Maturity			
			1 month or less £m	1 - 3 months £m	3 months + £m	12 months + £m
UK Bank	0.0	0%				
UK Building Society (UK BS)	0.0	0%				
Local Authorities	27.0	100%		27		
<b>Total (£)</b>	<b>27.0</b>		<b>0.0</b>	<b>27.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total (%)</b>		<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>

# Eitem ar gyfer y Rhaglen 5



## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday 27 <sup>th</sup> March 2019
<b>Report Subject</b>	Wales Audit Office (WAO) Audit Plan 2019
<b>Report Author</b>	Corporate Finance Manager

## EXECUTIVE SUMMARY

External auditors are required to carry out an audit to discharge their statutory duties as Auditor General and fulfil their obligations under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009, Wellbeing of Future Generations (Wales) Act 2015, the Local Government Act 1999, and the Code of Audit Practice.

The Wales Audit Office, being the Council's external auditor, has prepared an audit plan for 2019 for the Council (attached at Appendix 1 to this report) which sets out their proposed audit work for the year along with timescales, costs and the audit teams responsible for carrying out the work.

## RECOMMENDATIONS

1	Members note the WAO report
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE WAO AUDIT PLAN</b>
1.01	The 2019 Audit Plan for Flintshire County Council is attached at Appendix 1.
1.02	The Audit Plan for Flintshire County Council is a combined plan covering; <ul style="list-style-type: none"><li>• Financial audit of the 2018/19 Statement of Accounts</li><li>• Other audit work relating to North Wales Residual Waste Joint Committee</li><li>• Performance audit including annual improvement assessment</li></ul>

1.03	The programme of performance audit work in 2019/20 is outlined in paragraphs 18 - 24 within the WAO report, and in exhibit 3.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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2.01	Proposed fees charged for the audit work for Flintshire County Council has been included in the WAO report at exhibit 4.
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<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
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3.01	None required.
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<b>4.00</b>	<b>RISK MANAGEMENT</b>
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4.01	All audit work is carried out on a risk based approach which is covered in detail within the WAO's reports.
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<b>5.00</b>	<b>APPENDICES</b>
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5.01	Appendix 1 - WAO 2019 Audit Plan Flintshire County Council
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<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
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6.01	<p><b>Contact Officer:</b> Gary Ferguson – Corporate Finance Manager  <b>Telephone:</b> 01352 702271  <b>E-mail:</b> <a href="mailto:gary.ferguson@flintshire.gov.uk">gary.ferguson@flintshire.gov.uk</a></p>
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<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
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	<p><b>Financial Audit:</b> The annual external audit of the Council's Statement of Accounts.</p> <p><b>Financial Year:</b> the period of 12 months commencing on 1 April</p> <p><b>Material:</b> A concept used to inform judgements regarding the accuracy of the Council's Statement of Accounts. The basis could be quantitative with an assigned value or qualitative and affected by issues that are legal, regulatory, or politically sensitive.</p> <p><b>Statement of Accounts / Final Accounts / Financial Accounts or Statements:</b> The Council's annual finance report providing details of the Council's financial performance and position at the end of the financial year. The format is prescribed to enable external comparison with other public and private entities.</p>
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	<p><b>Wales Audit Office:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p>
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Mae'r dudalen hon yn wag yn bwrpasol





WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# 2019 Audit Plan – **Flintshire County Council**

Audit year: 2018-19

Date issued: March 2019

Document reference: 1128A2019-20

This document has been prepared as part of work performed in accordance with statutory functions.  
Further information on this is provided in [Appendix 1](#).

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the auditor acting on behalf of the Auditor General, in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the auditor acting on behalf of the Auditor General are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

## 2019 Audit Plan

Summary	4
Audit of accounts	4
Performance audit	8
Fee, audit team and timetable	10
Future developments	13

## Appendices

Appendix 1 – respective responsibilities	14
Appendix 2 – performance work in last year’s audit outline still in progress	17
Appendix 3 – other future developments	18

## Summary

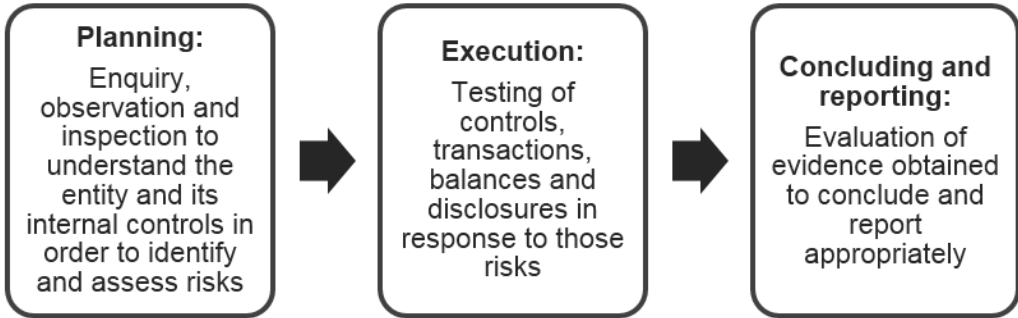
- 1 As your external auditor, my objective is to carry out an audit which discharges my statutory duties as Auditor General and fulfils my obligations under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009 (the Measure), Wellbeing of Future Generations (Wales) Act 2015, the Local Government Act 1999, and the Code of Audit Practice, namely to:
  - examine and certify whether your financial statements are 'true and fair';
  - assess whether you have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources;
  - audit and assess whether you have discharged the duties and met requirements of the Measure; and
  - undertake studies to enable me to make recommendations for improving economy, efficiency and effectiveness or for improving financial or other management arrangements.
- 2 The purpose of this plan is to set out my proposed work, when it will be undertaken, how much it will cost and who will undertake it.
- 3 My responsibilities, along with those of management and those charged with governance, are set out in [Appendix 1](#).

## Audit of accounts

- 4 It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on their 'truth and fairness'. This provides assurance that the accounts:
  - are free from material misstatement, whether caused by fraud or error;
  - comply with statutory and other applicable requirements; and
  - comply with all relevant requirements for accounting presentation and disclosure.
- 5 I also consider whether or not Flintshire County Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if the Annual Governance Statement does not comply with requirements.
- 6 [Appendix 1](#) sets out my responsibilities in full.
- 7 The audit work I undertake to fulfil my responsibilities responds to my assessment of risks. This understanding allows me to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the financial statements as a whole. My audit approach consists of three phases as set out in [Exhibit 1](#).

**Exhibit 1: my audit approach**

This table summarises the three phases of my financial audit approach, being planning, testing and reporting.



8 The risks of material misstatement which I consider to be significant and which therefore require special audit consideration, are set out in **Exhibit 2** along with the work I intend to undertake to address them. Also, included are other key areas of audit attention my team will be focusing on.

**Exhibit 2: financial audit risks**

This table summarises the key financial audit risks identified at the planning stage of the audit:

Financial audit risk	Proposed audit response
<b>Significant risks</b>	
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li> <li>• review accounting estimates for biases;</li> <li>• evaluate the rationale for any significant transactions outside the normal course of business; and</li> <li>• review the critical judgments made by the Council for appropriateness and evidence of bias.</li> </ul>

Financial audit risk	Proposed audit response
<b>Other areas of audit attention</b>	
<p><b>Significant estimates</b></p> <p>The preparation of the financial statement will involve a number of significant estimates, such as the valuation of the Council's assets and employee benefits under International Accounting Standard 19.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• review the annual assessment made by officers of the basis on which estimates are made and revised in line with the latest information;</li> <li>• evaluate the competence, capabilities and objectivity of the experts engaged by the Council to provide the estimates and evaluate the work carried out by the expert; and</li> <li>• review other documentation held to support estimates and assess the appropriateness of the Council's judgements made in determining the estimates.</li> </ul>
<p><b>New accounting standards</b></p> <p>IFRS 9 financial instruments applies from 1 April 2018 and brings in a new principles-based approach for the classification and measurement of financial assets. It also introduces a new impairment methodology for financial assets based on expected losses rather than incurred losses. This will result in earlier recognition of expected credit losses and will impact on how the bad debt provision is calculated.</p> <p>IFRS 15 revenue from contracts with customers introduces a principles-based five-step model for recognising revenue arising from contracts with customers. It is based on a core principle requiring revenue recognition to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration a body expects to be entitled to, in exchange for those goods or services. It will also require more extensive disclosures than are currently required.</p>	<p>My audit team will assess the likely impacts of the new IFRSs and undertake work to respond to any identified risks of material misstatement.</p>

9 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Council prior to completion of the audit.

- 10 For reporting purposes, I will treat any misstatements below a 'trivial' level (5% of materiality) as not requiring consideration by those charged with governance and therefore I will not report them.
- 11 In addition to my responsibilities in respect of the audit of the Council's statutory financial statements set out above, I am also required to consider the requirements of the Council's Whole of Government Accounts return submitted to the Welsh Government which provides information to support preparation of Whole of Government Accounts.
- 12 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with the agreed timescales, to the quality expected and have been subject to a robust quality assurance review;
  - information provided to support the financial statements is in accordance with the agreed audit deliverables document<sup>1</sup>;
  - all appropriate officials will be available during the audit;
  - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me; and
  - Internal Audit's planned programme of work is complete and management has responded to issues that may have affected the financial statements.

## Statutory audit functions

- 13 In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:
- Section 30 Inspection of documents and questions at audit; and
  - Section 31 Right to make objections at audit.
- 14 Audit fees will be chargeable for work undertaken in dealing with electors' questions and objections. Because audit work will depend upon the number and nature of any questions and objections, it is not possible to estimate an audit fee for this work.
- 15 If I do receive questions or objections, I will discuss potential audit fees at the time.

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<sup>1</sup> The agreed audit deliverables document sets out the expected working paper requirements to support the financial statements and include timescales and responsibilities.

## Other financial audit work

- 16 I am also responsible for the audit of the North Wales Residual Waste Joint Committee.
- 17 My audit fee for this work is set out in [Exhibit 4](#).

## Performance audit

- 18 I need to balance my existing, new and proposed statutory duties with the need to continue to undertake meaningful, risk-based and proportionate audits and assessments. In discharging my responsibilities I will continue to seek to strike the most appropriate balance and add value by:
- providing assurance on the governance and stewardship of public money and assets;
  - offering insight on the extent to which resources are used wisely in meeting people's needs; and
  - identifying and promoting ways by which the provision of public services may be improved.
- 19 As it is likely that the anticipated Local Government Wales Bill will propose that the Local Government (Wales) Measure 2009 no longer applies to councils, I will minimise work that focuses on the process of improvement planning.
- 20 In my audit plan for 2018 I explained that in previous years I had placed reliance on my work under the Measure to help discharge my duty under the Public Audit (Wales) Act 2004 to satisfy myself that councils have made proper arrangements to secure economy, efficiency and effectiveness (value for money) in the use of resources. Given that in the future it is likely that I will be unable to rely on my work under the Measure, in 2019-20, and subsequent years, the focus of my local performance audit programmes will continue to be more clearly aligned to discharging my Public Audit (Wales) Act 2004 duty.
- 21 In 2018-19 I undertook an examination of the extent to which you are acting in accordance with the sustainable development principle in taking steps to meet your well-being objectives. During 2019-20 I will undertake a further examination to assess the extent to which you are applying the sustainable development principle when taking steps towards meeting your well-being objectives. This will be the final piece of work I will undertake to discharge my duties under the Wellbeing of Future Generations Act at the Council prior to laying my first cyclical report with the National Assembly in 2020. During 2019-20 I will also be considering how to discharge my duties under the Act over the period 2020 to 2024 and I will seek to engage with local authorities as well as other stakeholders in developing my approach.
- 22 The Wales Audit Office also undertakes a programme of local government studies. This work is included within the Wales Audit Office estimates for funding from the



Welsh Consolidated Fund and not local fees. These studies primarily lead to a national report augmented by good practice and shared learning outputs rather than by local reports. Local findings, where relevant, will be captured in improvement assessment work and reported in annual improvement reports depending on the timing and the focus of conclusions.

- 23 Taking all these factors into consideration, my 2019-20 programme of work will comprise:

### Exhibit 3: performance audit programme

This table sets out my 2019-20 performance audit programme which will include local projects and national studies

Performance audit programme	Brief description
Improvement audit and assessment work including improvement planning and reporting audit	Audit of discharge of duty to publish an improvement plan, and to publish an assessment of performance.
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	Examination of the extent to which the Council has acted in accordance with the sustainable development principle when taking steps to meet its wellbeing objectives. Focus on the creativity, capacity and rigour of partnership governance and management arrangements to consider the WFG Act (by using the PSB and one or more of their shared work programmes as a reference).
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.
Financial Sustainability	A project common to all local councils that will assess financial sustainability in light of current and anticipated future challenges.
Rent Arrears	To review the Council's strategy for stabilising and recovering Council tenant rent arrears and its work on administering Discretionary Housing Payments. This review will also include following-up work of the 2015 Wales Audit Office report on 'Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales'.
Digital	A diagnostic study on Council's overall planning and the sufficiency of resources to achieve the deliverables.

Performance audit programme	Brief description
<b>2019-20 Local Government Studies</b>	(Funded by the Welsh Consolidated Fund) The Auditor General has recently completed his consultation on his forward work programme and new local government studies to commence in 2019-20 will be confirmed shortly.

- 24 The performance audit projects included in last year's Audit Plan, which are either still underway or which have been substituted for alternative projects in agreement with you, are set out in [Appendix 2](#).

## Fee, audit team and timetable

### Fee

- 25 Your estimated fee for 2019 is set out in [Exhibit 4](#). There have been some small changes to my fees rates for 2019, however my audit teams will continue to drive efficiency in their audits to ensure any resulting increases will not be passed to you.

#### Exhibit 4: audit fee

This table sets out the proposed audit fee for 2019, by area of audit work, alongside the actual audit fee for last year. The estimated range of fees for the certification of grants claims and returns is £50,000 to £60,000.

Audit area	Proposed fee (£) <sup>2</sup>	Actual fee last year (£)
Audit of accounts <sup>3</sup>	206,699	206,699
Performance audit work <sup>4</sup>	100,216	100,261
North Wales Residual Waste Joint Committee	550	596
<b>Total fee</b>	<b>307,465</b>	<b>307,556</b>
Grant certification work <sup>5</sup>	50,000 to 60,000	64,687

#### <sup>2</sup> Notes:

The fees shown in this document are exclusive of VAT, which is not charged to you.

<sup>3</sup> Payable November 2018 to October 2019.

<sup>4</sup> Payable April 2019 to March 2020.

<sup>5</sup> Payable as work is undertaken.

- 26 Planning will be ongoing, and changes to my programme of audit work and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Council.
- 27 Further information on my [fee scales and fee setting](#) can be found on our website.

## Audit team

- 28 The main members of my team, together with their contact details, are summarised in [Exhibit 5](#).

### Exhibit 5: my audit team

This table lists the members of the local audit team and their contact details.

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Director and Engagement Lead - Financial Audit	02920 320640	<a href="mailto:richard.harries@audit.wales">richard.harries@audit.wales</a>
Huw Rees	Engagement Lead – Performance Audit	02920 320599	<a href="mailto:huw.rees@audit.wales">huw.rees@audit.wales</a>
Matthew Edwards	Financial Audit Manager	02920 320663	<a href="mailto:matthew.edwards@audit.wales">matthew.edwards@audit.wales</a>
Mike Whiteley	Financial Audit Team Leader	02920 829389	<a href="mailto:mike.whiteley@audit.wales">mike.whiteley@audit.wales</a>
Jeremy Evans	Performance Audit Manager	07825 052861	<a href="mailto:jeremy.evans@audit.wales">jeremy.evans@audit.wales</a>
Gwilym Bury	Performance Audit Lead	07813 564432	<a href="mailto:gwilym.bury@audit.wales">gwilym.bury@audit.wales</a>

- 29 I can confirm that, except as set out in paragraph 30, there are no known threats to the independence of the Appointed Auditor or other audit staff and I have complied with the Wales Audit Office rotation policy.
- 30 The only known threats that we need to bring to your attention relate to Matthew Edwards, the Financial Audit Manager. A member of his family is employed as a teacher within Flintshire. As a result, he will not be involved in any work at that school. His involvement in any other audit work in relation to education will only be permitted following a risk assessment.

## Timetable

31 I will provide reports, or other outputs as agreed, to the Council covering the areas of work identified in this document. My key milestones are set out in [Exhibit 6](#).

### Exhibit 6: timetable

This table sets out the proposed timetable for completion and reporting of my audit work at the authority

Planned output	Work undertaken	Report finalised
<b>2019 Audit Plan</b>	December 2018 to January 2019	March 2019
<b>Financial accounts work:</b> <ul style="list-style-type: none"> <li>Audit of Financial Statements Report</li> <li>Opinion on Financial Statements</li> <li>Financial Accounts Memorandum</li> </ul>	January to August 2019	August 2019  September 2019 September 2019
<b>Performance work:</b> <ul style="list-style-type: none"> <li>Improvement Plan Audit</li> <li>Assessment of Performance Audit</li> <li>Assurance and Risk Assessment</li> <li>WFG Act Examinations</li> <li>Rent Arrears</li> <li>Digital</li> <li>Financial sustainability</li> </ul>	April 2019 November 2019 October 2019 to December 2019 July 2019 to September 2019  Quarter 3 and 4  Quarter 2 and 3  Quarter 2 and 3	April 2019 November 2019 January 2020  October 2019  March 2020  March 2020  December 2019
Annual Improvement Report	April 2019 – May 2020	July 2020
Annual Audit Letter	May to November 2019	November 2019
2020 Audit Plan	October to December 2019	January 2020

\* Subject to timely clearance of draft findings with Council.

## Future developments

### Future developments to my audit work

- 32 Details of other future developments including forthcoming changes to key International Financial Reporting Standards, the Wales Audit Office's Good Practice Exchange (GPX) seminars and my planned work on the readiness of the Welsh public sector for Brexit, are set out in [Appendix 3](#).

# Appendix 1

## Respective responsibilities

### Audit of accounts

As amended by the Public Audit (Wales) Act 2013, the Public Audit (Wales) Act 2004 sets out my powers and duties to undertake your financial audit. It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on:

- their 'truth and fairness', providing assurance that they:
  - are free from material misstatement, whether caused by fraud or error;
  - comply with the statutory and other applicable requirements; and
  - comply with all relevant requirements for accounting presentation and disclosure.
- the consistency of information in the Annual Report with the financial statements.

I must also state by exception if the Annual Governance Statement does not comply with requirements, if proper accounting records have not been kept, if disclosures required for remuneration and other transactions have not been made or if I have not received all the information and explanations I require.

The Public Audit (Wales) Act 2004 requires me to assess whether Flintshire County Council has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources. To achieve this, I consider:

- the results of the audit work undertaken on the financial statements;
- the Council's system of internal control, as reported in the Annual Governance Statement and my report thereon;
- the results of other work carried out including work carried out under the Local Government (Wales) Measure 2009 (the Measure), certification of claims and returns, and data-matching exercises;
- the results of the work of other external review bodies where relevant to my responsibilities; and
- any other work that addresses matters not covered by the above, and which I consider necessary to discharge my responsibilities.

The Public Audit (Wales) Act 2004 sets out the rights of the public and electors to inspect Flintshire County Council's financial statements and related documents, to ask me, as the Appointed Auditor questions about the accounts and, where appropriate, to challenge items in the accounts. I must also consider whether in the public interest, I should make a report on any matter which comes to my notice in the course of the audit.

My audit work does not relieve management and those charged with governance of their responsibilities which include:

- the preparation of the financial statements and Annual Report in accordance with applicable accounting standards and guidance;
- the keeping of proper accounting records;
- ensuring the regularity of financial transactions; and
- securing value for money in the use of resources.

Management agrees to provide me with:

- access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- additional information that I may request from management for the purpose of the audit; and
- unrestricted access to persons within the Council from whom I determine it necessary to obtain audit evidence.

Management will need to provide me with written representations to confirm:

- that it has fulfilled its responsibilities for the preparation of the financial statements;
- that all transactions have been recorded and are reflected in the financial statements;
- the completeness of the information provided to me for the purposes of the audit; and
- to support other audit evidence relevant to the financial statements or specific assertions in the financial statements if I deem it necessary or if required by ISAs.

## Performance audit

The Public Audit (Wales) Act 2004 requires me, by examination of the accounts or otherwise, to satisfy myself that the body has made proper arrangements for:

- securing economy, efficiency and effectiveness in its use of resources; and
- that the body, if required to publish information in pursuance of a direction under section 47 (performance information) has made such arrangements for collecting and recording the information and for publishing it as are required for the performance of its duties under that section.

The Measure places a general duty on improvement authorities to 'make arrangements to secure continuous improvement in the exercise of their functions'. It also places specific requirements on authorities to set improvement objectives, and to publish annual improvement plans and assessments of performance. Improvement authorities are defined as county and county borough councils, national park authorities, and fire and rescue authorities.

The Measure also requires me to carry out an improvement assessment for each improvement authority every year, to determine whether the authority is likely to comply with its general duty and requirements of the Measure. I must also carry out an audit of whether the authority has discharged its improvement planning and reporting duties.

The Auditor General may also in some circumstances carry out special inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22). The Auditor General will summarise audit and assessment reports in his published Annual Improvement Report (under section 24). This will also summarise any reports of special inspections.

Section 15 of the Well-being of Future Generations Act (Wales) 2015 requires me to carry out examinations of public bodies for the purposes of assessing the extent to which it has acted in accordance with the sustainable development principle when:

- (a) setting well-being objectives; and
- (b) taking steps to meet those objectives.

I must carry out such an examination of each public body at least once during a five-year period. Before the end of the period I must report on the results of those examinations to the National Assembly.



## Appendix 2

### Performance work in last year's audit outline still in progress

#### Exhibit 7: performance work in last year's audit outline still in progress

Three pieces of performance audit work included in last year's audit plan remain outstanding.

Performance audit project	Status	Comment
Cultural services	Project scoping meeting March 2019	Draft report to Council June 2019
Household Recycling Centres service user perspective	Project Brief agreed February 2019. Fieldwork April 2019	Draft report to Council April 2019
Annual Improvement Report	On target	Draft report to Council May 2019

# Appendix 3

## Other future developments

### A. Forthcoming key IFRS changes

#### Exhibit 8: changes to IFRS standards

This table details the key future changes to International Financial Reporting Standards

Standard	Effective date	Further details
IFRS 16 leases	Expected in 2020-21	IFRS 16 will replace the current leases standard IAS 17. The key change is that it largely removes the distinction between operating and finance leases for lessees by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. It will lead to all leases being recognised on balance sheet as an asset based on a right of use principle with a corresponding liability for future rentals. This is a significant change in lessee accounting.

### B. Good Practice Exchange

The Wales Audit Office's GPX helps public services improve by sharing knowledge and practices that work. Events are held where knowledge can be exchanged face to face and resources shared on line. The main areas of work are regarding financial management, public-sector staff and governance.

### C. Brexit: preparations for the United Kingdom's departure from membership of the European Union

In accordance with Article 50 of the Treaty of Rome, on 29 March 2019 the United Kingdom will cease to be a member of the European Union. Negotiations are continuing, and it currently remains unclear whether agreement will be reached on a transition period to 31 December 2020, or whether a 'no deal' immediate exit will take place next March.

The Auditor General has commenced a programme of work looking at the arrangements that the devolved public sector in Wales, including all NHS bodies, is putting in place to prepare for, and respond to, Britain's exit from the European Union. This will take the form of a high-level overview to establish what is being put in place across the Welsh public sector, and what the key issues are from the perspectives of different parts of the Welsh public service.

The Auditor General intends to carry out this initial work in two tranches. In Autumn 2018, he issued a call for evidence to compile a baseline summary of arrangements being put in place. On 19 February he issued a report<sup>6</sup> on preparations in Wales for a ‘no deal’ Brexit. This will be followed up by further audit work during the rest of 2019.

## D. National value-for-money studies

The Council may also be interested in the national value-for-money examinations that I undertake, some of which will be of particular relevance to, and may involve evidence gathering across, local government. These studies are supported by funds approved by the National Assembly. Reports are presented to the National Assembly’s Public Accounts Committee to support its scrutiny of public expenditure and potentially support scrutiny by other National Assembly committees.

**Exhibit 9** covers all of the value-for-money studies work currently programmed. The programme includes all-Wales summaries of audit work undertaken locally in the NHS and reactive examinations into specific issues of public concern that have been raised with me. In addition to the work outlined below, I may decide during the year to prepare other national reports summarising local audit work, follow-up work, or based on the findings of other reactive examinations.

Further updates on my programme of value-for-money studies will be provided to you within the regular progress reports prepared by my team.

### Exhibit 9: national value-for-money studies

Topic	Anticipated publication (as at 11 January 2018)
Primary care services <sup>7</sup>	Published July 2018
Access to public services with the support of specialist interpretation and translation	Published April 2018
Waste management (waste prevention)	Awaiting publication
Waste management (municipal recycling)	Published October 2018
Waste management (procurement of infrastructure)	Published November 2018
Early intervention and public behaviour change <sup>8</sup>	Awaiting publication

<sup>6</sup> Brexit Preparations report. <http://www.audit.wales/publication/preparations-wales-no-deal-brexid> .

<sup>7</sup> An initial data rich report presenting a ‘picture of primary care’ in advance of further local audit work.

<sup>8</sup> Following on from some good practice work, we are planning to produce a short summary paper to highlight some of the issues raised and evidence gathered through that work, supported by a series of podcasts.

Topic	Anticipated publication (as at 11 January 2018)
GP out-of-hours services – national summary report	Awaiting publication
Rural Development Programme 2014-2020	Published November 2018
Business finance	Published November 2018
NHS agency staffing costs <sup>9</sup>	Published January 2019
EU Structural Funds programmes 2014-2020	Published November 2018
Improving the wellbeing of young people	To be confirmed
Radiology services – national summary	To be confirmed
Integrated Care Fund	To be confirmed
Care experienced by children and young people <sup>10</sup>	To be confirmed

<sup>9</sup> Work has recently commenced on gathering data from across the health services of the UK to support a paper on the various approaches being taken to address the increasing costs of employing agency medical and nursing staff within the NHS. The precise format for this output is still to be determined.

<sup>10</sup> The PAC has now set out its initial plans for some ongoing inquiry work on this topic. I will be supporting this work, although the precise nature of, and timescale for, any additional audit-related outputs is still to be determined.

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Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 6



## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 27 March 2019
<b>Report Subject</b>	Certification of grants and returns 2017/18
<b>Cabinet Member</b>	Leader of the Council and Cabinet Member for Finance
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

## EXECUTIVE SUMMARY

The purpose of the report is to inform Members of the grant claim certification for the year ended 31st March 2018.

The Council's external auditors, the Wales Audit Office (WAO) are required to report annually on the certification of grant claims and returns and the annual report for 2017/18 is appended to this report.

The Finance Management Team and the services concerned have considered the report in detail and have addressed the specific findings contained in the report as required.

A number of recommendations have been made and all agreed management actions in response to the recommendations are in progress.

Whilst the findings are not a major risk to performance they are not what we expected. An action plan will be put in place to address these issues and a review of Corporate Grants is included within the Audit Plan to evaluate on going performance.

It is important that the Council enhances the systems in place for the 2018/19 audit and works closely with WAO to ensure that the processes in place are adequate.

## RECOMMENDATIONS

1	Members are requested to note the content of the Grant Claim Certification report for 2017/18.
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## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE GRANT CERTIFICATION REPORT 2017/18</b>
1.01	The Council's external auditors, the Wales Audit Office (WAO) are required to report annually on the certification of grant claims and returns and the annual report for 2017/18 is appended to this report.
1.02	The Finance Management Team and the services concerned have considered the report in detail and have addressed the specific findings contained in the report as required.
1.03	In relation to the overall grants total of £129m, the net adjustment to claims of £11,151 is a relatively small proportion and did not result in a financial loss to the council.
1.04	Whilst there has been an improvement in the amount of grants submitted by the deadline, there has been an increase in the number of grants qualified and a number of recommendations have been made to address the issues raised.
1.05	As with previous years Officers will continue to work alongside WAO to further improve the quality of the claims and address specific issues as they arise.
1.06	Recommendations made by WAO have been considered by Officers and responses on action to be taken are noted within the report and are in progress.
1.07	Performance will be reviewed by the Accounts Governance Group and reported to the Chief Officer Team to ensure ownership and action where appropriate from grant leads.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out in the Audit report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	The report has been shared with staff with responsibility for dealing with grants.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	As set out in the report.



<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Certification of Grants and Returns 2017-18, Wales Audit Office report

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<b>Contact Officer:</b> Gary Ferguson (Corporate Finance Manager) <b>Telephone:</b> (01352) 702271 <b>E-mail:</b> gary.ferguson@flintshire.gov.uk

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Wales Audit Office:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p><b>Grant:</b> a financial assistance mechanism providing money, property, or both to an eligible entity to carry out an approved project or activity.</p> <p><b>Certification:</b> a statement, signed by an applicant or grantee as a prerequisite for receiving funds, that it (1) meets or will adhere to certain conditions and/or (2) will undertake or not undertake certain actions.</p> <p><b>Grant Completion Checklist:</b> a template produced to determine the evidence and information required to be prepared to support a grant claim submission.</p> <p><b>Financial Year:</b> the period of 12 months commencing on 1 April.</p> <p><b>Revenue:</b> a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p><b>Budget:</b> a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p>

Mae'r dudalen hon yn wag yn bwrpasol



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Certification of Grants and Returns 2017-18 – **Flintshire County Council**

Audit year: 2017-18

Date issued: March 2019

Document reference: 1018A2019-20

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

The team who delivered the work comprised of Matthew Edwards, Mike Whiteley, Kelly Jarvis, Mike Hitchings, David Tomalin, Heather Favager and other members of the Wales Audit Office audit team.

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# Summary report

## Summary

- 1 Under Paragraph 20 of Schedule 8 to the Government of Wales Act 2006 the Auditor General shall, if required by a local government or other grant-receiving body, make arrangements for certifying claims and returns (referred to as grant claims, hereafter).
- 2 We undertook our work with the aim of certifying individual claims and to answer the question:

‘Does Flintshire County Council (the Authority) have adequate arrangements in place to ensure the production of coordinated, accurate, timely and properly documented grant claims?’
- 3 We have completed the audit and conclude due to the large number of claims requiring qualification and amendment, **there is clear scope for the Authority to improve its grant management arrangements**. We are continuing to work with the Authority to make these improvements for 2018-19 and future years.

For 2017-18 we certified ten grant claims with a total value of £129 million (2016-17 12 grant claims totalling £137 million). The reduction in the number of grant claims is due to the introduction of the Welsh Government Single Summary of Grants, which includes a number of claims which were previously certified separately.
- 5 The Authority submitted 90 per cent of its 2017-18 grant claims to us on time. We can confirm that we have certified all of the claims at a total audit cost of £64,687 (£62,613 in 2016-17). Overall, the audits did not result in any changes to the amounts claimable by the Authority in respect of 2017-18. The increase in the audit cost is attributable to the additional work we undertook due to the large number of claims requiring qualification or amendment.
- 6 Half of the claims audited were qualified. This represents a deterioration from 2016-17, where 33% of the claims were qualified.
- 7 We would like to acknowledge the assistance and co-operation received from officers during the audit.

## Headlines

**Introduction and background****This report summarises the results of work on the certification of the Authority's 2017-18 grant claims and returns**

- As appointed auditors of the Authority, we are asked on behalf of the Auditor General, to certify grant claims made by the Authority.
- For 2017-18, we certified ten grants and returns with a total value of £129 million.
- We have produced this report so that we can provide feedback collectively to those officers having the responsibility for grant management to enable us to work together to identify further improvements to the Authority's grants managements arrangements.

**Timely receipt of claims**

- Our analysis shows that nine of the ten grants received during the year were received by the Authority's deadline. The remaining return, the Welsh Government Single Summary of Grants, was submitted by the Authority to the Welsh Government 37 days after the deadline, on 24 July 2018. Whilst there were a small number of errors in the template provided by Welsh Government, the Authority was not fully aware of the requirements of the claim and consequently a significant number of errors made by the Authority were present in the version submitted. The Welsh Government agreed to an extended deadline of 6 November 2018 for the Authority to re-submit a revised claim.
- We encountered difficulties in obtaining responses to some audit queries this year, however this did not cause any delay to our submission of the certified claims by the required deadlines.
- In future, the Authority's grant co-ordinator should ensure that all grant claims are submitted by the deadlines and that replies to audit queries are typically provided within no more than two working days. We acknowledge that audit queries that relate to third parties' expenditure are likely to sometimes take longer to address, but it is imperative that queries are answered in a timely manner.

<b>Certification results</b>	<p><b>We issued unqualified certificates for five grants and returns but qualifications were necessary in five cases (50 per cent)</b></p> <ul style="list-style-type: none"> <li>The reasons for qualifying the grants can be grouped into ongoing issues which have been reported in previous financial years and issues which have come to our attention (for the first time) during our grant work carried out in 2017-18: <ul style="list-style-type: none"> <li><b>Qualification issues reported in previous financial years</b> <ul style="list-style-type: none"> <li>Lack of supporting evidence for claims;</li> <li>Insufficient monitoring of third party expenditure;</li> <li>Lack of supporting evidence to demonstrate compliance with the Authority's standing orders for contracts;</li> <li>Non-compliance with Welsh Government terms and conditions for virements;</li> <li>Incorrect rent amount used when determining housing benefit entitlement; –</li> <li>Earned income assessments for housing benefit claims were incorrect; and</li> <li>Misclassification of housing benefit overpayments in the housing subsidy claim. <b>Qualification issues reported for the first time in 2017-18</b> <ul style="list-style-type: none"> <li>Unable to reconcile claim expenditure to the Authority's financial ledger; and</li> <li>Bad debts that were not written off in accordance with relevant Authority policy.</li> </ul> </li> <li><b>Qualification issues outside the Authority's control</b> <ul style="list-style-type: none"> <li>Technical issues with the housing benefit system (Civica) which resulted in a number of errors in the Housing Subsidy claim.</li> </ul> </li> </ul> </li> </ul> </li></ul>
<b>Audit adjustments</b>	<p><b>Adjustments were necessary to two of the Authority's grants and returns as a result of our auditor certification work this year</b></p> <ul style="list-style-type: none"> <li>An adjustment of £11,151 was made on the Housing Subsidy claim to correct for errors identified. The effect of this adjustment was to increase the amount payable by the Authority by £330.</li> <li>The 21<sup>st</sup> Century Schools grant claim form had to be amended as the form had not been fully completed. There was no financial impact on the amount claimable by the authority as the amendment related to an information section of the form.</li> </ul>
<b>The Authority's arrangements</b>	<p><b>The Authority has adequate arrangements for preparing its grants and returns and supporting our certification work but some improvements are required in some areas</b></p> <ul style="list-style-type: none"> <li>We have made a number of recommendations which are detailed on page 12 of this report which, if implemented, will help the Authority improve its arrangements in readiness for the 2018-19 grant claim certification audit.</li> </ul>



## Summary of certification work outcomes

- 8 Detailed on the following page is a summary of the key outcomes from our certification work on the Authority's 2017-18 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.
- 9 A qualification means that issues were identified concerning the Authority's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant-paying body will require further information from the Authority to satisfy itself that the full amounts of grant claimed are appropriate.

### Key information for 2017-18

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#### Overall, we certified ten grants and returns:

- Four were unqualified with no amendment
- One was unqualified but required some amendment to the final figures
- Four required a qualification to our audit certificate
- Four were qualified and required some amendment to the final figures

Ref	Grants and returns	Claim due	Claim received	Late	Qualified certificate	Adjustment (>£10,000)	Adjustment (<£10,000)	Unqualified certificate
1 – BEN01	Housing Benefit Subsidy	30/04	30/04	No	Yes	No	(£11,151)	No
2 – LA01	NDR Non-Domestic Rates Return	31/05	31/05	No	Yes	No	No	No

3	– EDU18	21 <sup>st</sup> Century Schools	30/09	05/09	No	No	No	£0*	Yes		
4	– SOC07	Social Care Workforce Development Programme	28/09	27/09	No	No	No	No	Yes		
5	– LA99	Single Summary of Grants	15/06	24/07	Yes	^	^	^	^		
6	– TRA15	Local Transport Fund	30/09	28/09	No	No	No	No	Yes		
7	– TRA23	Free Concessionary Travel	**	**	**	N/a	N/a	N/a	N/a		
8	– TRA27	Bus Services Support Grant	22/10	22/10	No	Yes	No	No	No		
9	– RG03	Communities First	31/07	31/07	No	Yes	No	No	No		
10	– PEN05	Teachers' Pensions	31/05	23/05	No	Yes	No	No	No		
Total								5	£0	(£11,151)	5

\*Amendment required to claim form as not fully completed (information only section)

No requirement for financial claim to be certified as this is covered by the Single Summary of Grants. Our work under this certification instruction comprised of two separate reports on Smartcard usage data and management arrangements in respect of ISAM chips.

The Welsh Government requires auditor findings to be reported in an observation letter, so no qualification is possible on this claim. Consequently, no amendments are possible to the claim.

10 This table summarises the key issues behind each of the adjustments or qualifications that were identified on page 9.

Ref	Summary observations	Amendment
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1	<p><b>Housing Benefit Subsidy</b></p> <ul style="list-style-type: none"> <li>• Incorrect assessment of earned income – our testing identified one case where the income earned by the claimant had been incorrectly calculated and applied, which resulted in an overpayment of benefit.</li> <li>• System issues – our testing identified six cases where issues with the Authority's housing benefit system (Civica) resulted in errors being identified in the housing subsidy claim. The Authority has raised these issues with Civica and is working to resolve them.</li> <li>• Overpayment classification – our testing identified three cases where the Authority has misclassified the overpayment in the subsidy claim.</li> <li>• Incorrect rent – our testing identified one case where the Authority input the claimant's rent incorrectly, resulting in an overpayment.</li> </ul> <p>The claim was amended as our audit identified errors that affected a number of cells within the claim. The total of the amendments made to individual cells in the claim totalled £11,151, which, due to the way in which subsidy is calculated, resulted in an increase in the amount payable by the Authority of £330.</p>	<p>Our qualification letter to the Department for Work and Pensions (DWP) reported extrapolated errors totalling £29,511.</p> <p>The Department is currently considering our findings and will proceed in due course to decide on the recovery of any overpaid subsidy.</p> <p>(£330)</p>
Ref	Summary observations	Amendment
	<p><b>NNDR</b></p> <ul style="list-style-type: none"> <li>• The Non-Domestic Rates Final Contributions Return was qualified as the Authority was unable to fully reconcile claim expenditure to the financial ledger. Contributions to the pool in the Authority's financial ledger were £19,047 higher than that recorded in the return.</li> <li>• The return was also qualified as the Authority did not follow its policy when writing off some bad debts, totalling £165,435.</li> </ul>	<p>No amendment required.</p>

5	<p><b>Single Summary of Grants</b></p> <ul style="list-style-type: none"> <li>The original return was submitted to the Welsh Government after the agreed deadline. Initial audit review of the return identified a significant number of errors. Discussions with officers identified this return had been overlooked by the Authority and there was no clear lead for compiling the claim and ensuring the entries were in accordance with the Welsh Government guidance.</li> <li>The Welsh Government agreed that the Authority could submit a replacement pre-audit return, which the guidance does not permit, given the number of errors in the return.</li> <li>The replacement return submitted in November 2018 still contained a number of errors, which we reported in our observations letter to the Welsh Government.</li> </ul>	No amendment required.
8	<p><b>Bus Service Support Grant</b></p> <ul style="list-style-type: none"> <li>The Authority was unable to demonstrate there was sufficient monitoring of third party expenditure (by other local authorities) within the claim. Although a system was introduced following our 2016/17 audit, it does not currently provide sufficient assurances that the grant funding is being used wholly for the purposes of the grant.</li> </ul>	No amendment required.
Ref	<b>Summary observations</b>	<b>Amendment</b>
69	<p><b>Communities First</b></p> <ul style="list-style-type: none"> <li>The Authority was unable to demonstrate that it had complied with Welsh Government terms and conditions for virements between 'Project Delivery' and 'Other', as prior approval was not sought for the virement.</li> <li>A contract of £94,202 was awarded during the year, but the Authority was not able to provide evidence to demonstrate that the award followed the contract procedure rules.</li> </ul>	N/a
10	<p><b>Teachers' Pensions</b></p> <ul style="list-style-type: none"> <li>The breakdown of pension contributions for each tier of salary on the return did not agree to the amount calculated using the expected pension contribution rate specified by Teachers' Pensions. Contributions included on the return were £3,012 higher than the figures recalculated as part of the audit.</li> </ul>	N/a
	<b>Total effect of amendments to the Authority</b>	<b>(£330)</b>

## Recommendations

- 11 We have given each recommendation a risk rating and agreed what action management will need to take. We will follow up these recommendations during next year's audit.

Priority 1	Priority 2	Priority 3
Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.	Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action. You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

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Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
Claim not prepared correctly.	The Authority has not complied with the terms and conditions of grant.	R1 A lead should be nominated for the Single Summary of Grants with responsibility for compiling the return and ensuring it is completed in accordance with Welsh Government guidance.	1	A nominated grant coordinator lead is being incorporated into the new finance operating model.	Dave Ledsham – Finance Manager 1 June 2019

Lack of effective monitoring of third party expenditure to ensure grant has been used for the intended purpose.	The Authority has not complied with the terms and conditions of grant.	R2 The Authority must have adequate procedures in place to satisfy itself, its auditor and the grantpaying body that only eligible expenditure incurred by third parties is included in the claim.	2	Revised and more robust monitoring arrangements have been put in place for the Bus Services Grant to evidence eligible expenditure for third parties	Dave Ledsham – Finance Manager  31 March 2019
Contracts not awarded in accordance with procurement procedures.	The Authority has not complied with the terms and conditions of grant.	R3 Ensure evidence is retained to demonstrate contract procedure rules have been complied with and that this evidence is available for audit.	1	Service and Finance leads will be reminded of their responsibilities around contract procedure rules and the need to provide evidence for audit	Sara Dulson – Finance Manager  1 June 2019

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
Welsh Government approval not sought for virements.	The Authority has not complied with the terms and conditions of grant.	R4 Approval to be sought in a timely manner from the grant-paying body for all virements, and evidence of the approval is retained.	2	The virement issue within the Communities First Grant was within the agreed 5% threshold and verbal approval received. It is noted the need to obtain formal evidence in advance.	Lynne O Reilly  31 March 2019

Housing subsidy overpayments misclassified.	Claims may be qualified.	R5	Review the existing quality assurance arrangements around housing benefit overpayments to determine whether they can be strengthened to reduce the number of errors in the housing subsidy claim.	2	A review of current arrangements will be undertaken.	Jen Griffiths 1 June 2019
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Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date	
Housing benefit system issues resulting in errors in the housing subsidy claim.	Claims may be qualified.	R6	Continue to engage with the Authority's software supplier (Civica) to resolve all issues and correct affected claims as appropriate.	1	Engagement is ongoing and work will be completed when issues are resolved	Jen Griffiths 1 June 2019
Earned income being incorrectly assessed for housing benefit claims.	Claims may be qualified.	R7	Review the effectiveness of quality assurance arrangements in place for checking earned income claims as errors are still being identified in the housing subsidy claim.	2	A review of current arrangements will be undertaken.	Jen Griffiths 1 June 2019

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Claim expenditure not fully reconciled to the Authority's financial ledger.	Any over claim may need to be recovered by the Welsh Government.	R8 Fully reconcile all claim expenditure to the financial ledger prior to submission to the Welsh Government.	1	This related to the NDR claim which is complex and historically difficult to reconcile. However, a full reconciliation will be undertaken prior to Welsh Government submission	David Barnes – Revenues Manager 31 March 2019
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Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
Bad debts not written off in accordance with the Authority's policies.	Claims may be qualified.	R9 Ensure the Corporate Debt Recovery policy is followed when debts are written off and evidence is retained to demonstrate this.	2	A reminder of the process to be followed when considering potential debt write offs to be provided to all relevant officers	David Barnes– Revenues Manager 31 March 2019

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Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 7



## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday 27 March 2019
<b>Report Subject</b>	External Regulation Assurance
<b>Report Author</b>	Chief Executive

### EXECUTIVE SUMMARY

The Council receives reports from various external regulators and inspectors in the normal course of events. It is part of the Terms of Reference of the Audit Committee to ensure that effective processes are in place for setting and monitoring actions arising from these reports.

This report covers both the areas of work provided by the Wales Audit Office (WAO) as part of their National Study Programme as well as a few local studies, specific to the Council.

No studies were undertaken by either the Care Inspectorate Wales or Estyn during the period of this report.

This summary report provides assurance to the Audit Committee that the reports have been considered and action taken in response to the recommendations received.

### RECOMMENDATIONS

1	To note how reports by external auditors, other regulators and inspectors have been dealt with during 2017/18.
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE EXTERNAL REGULATORS AND INSPECTIONS REPORT</b>
1.01	<p>The Local Government (Wales) Measure contains various provisions relating to the work of audit committees. Statutory guidance made under Section 85 of the Measure was issued in June 2012. That guidance advised that audit committees should receive and consider reports from external auditors, other regulators and inspectors.</p>
1.02	<p>Since 2014 arrangements have been made that all local reports issued by external auditors, regulators and inspectors are tracked and reported to the Audit Committee once a year. This is to assure the Committee that such reports have been considered appropriately by the relevant officers and where appropriate, Scrutiny Committees.</p> <p>The Council's reporting protocol covers the arrangements in place for:</p> <ul style="list-style-type: none"><li>i) Cabinet - the Executive response</li><li>ii) Overview and Scrutiny - scrutiny of the response</li><li>iii) Audit Committee - assurance of the arrangements.</li></ul> <p>The protocol is attached at Appendix 2.</p>
1.03	<p>Where reports by an external auditor, other regulator or inspector contains recommendations specifically for the Council, it is important that they receive proper consideration by both officers and members and are responded to.</p> <p>The responses will, on occasion, require an action plan to implement changes and appropriate procedures need to be in place to oversee their implementation.</p> <p>It should be noted that there is no requirement to report or respond to recommendations within the WAO national study reports; however the Council undertakes this as a matter of good practice as part of our protocol.</p>
1.04	<p>It is part of the Terms of Reference of the Audit Committee to ensure that effective processes are in place for setting and monitoring against proportionate and effective action plans. Whilst the Audit Committee has the responsibility for ensuring all audit report recommendations issued by external auditors are implemented, for other regulatory reports the Committee's Terms of Reference make clear it is sufficient that it is satisfied that there are effective processes in place. These processes may, for example, include the work of Overview and Scrutiny Committees and are reflected within the Council's reporting protocol.</p>

1.05	<p>Appendix 1 shows the reports received from the Wales Audit Office during 2017/18, the summary findings and responses from the Council, including the current status of any actions, marked as follows:</p> <ul style="list-style-type: none"> <li>• Green - on track / completed</li> <li>• Amber - on track, but within acceptable limits</li> <li>• Red - limited progress.</li> </ul>
1.06	No studies were undertaken by either the Care Inspectorate Wales or Estyn during the period of this report.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	There are no direct resource implications related to this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	External reports are considered by Chief Officers and senior managers to determine the actions needed. Where appropriate, Cabinet and Overview and Scrutiny committees review the findings of reports and the Council's responses.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	<p>The work of the external regulators, and the actions in response to their reports provide assurance to the Council that adequate and effective controls are in place to mitigate risks.</p> <p>The Council's protocol in relation to reporting of external assurance reports is attached at Appendix 2.</p>

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Appendix 1: External Audit Report Summary</p> <p>Appendix 2: External Assurance reports protocol</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><a href="#">Wales Audit Office Annual Improvement Report 2017/18</a></p> <p><b>Contact Officer:</b> Karen Armstrong, Corporate Business and Communications Executive Officer</p> <p><b>Telephone:</b> 01352 702740</p> <p><b>E-mail:</b> <a href="mailto:Karen.armstrong@flintshire.gov.uk">Karen.armstrong@flintshire.gov.uk</a></p>

7.00	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Wales Audit Office:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p><b>Care Inspectorate for Wales (CIW):</b> The powers and functions of CIW are enabled through legislation. CIW has the powers to review Local Authority social services at a local and national level, to inform the public whether services are up to standard, to promote improvement of services and to help safeguard the interests of vulnerable people who use services and their carers. They provide professional advice to Welsh Ministers and policy makers.</p> <p><b>Estyn:</b> Estyn is the education and training inspectorate for Wales. Estyn is responsible for inspecting primary and secondary schools and nursery schools maintained by, or receiving funding from, local authorities.</p>

WAO Annual Improvement Report 2017 – 2018

**Flintshire County Council Local Reports** (excluding the Annual Improvement Report and Certificates of compliance with the Local Government Measure)

<p><b>Reflecting on Year One: How Have Public Bodies Responded to the Well-being of Future Generations - Published: May 2018</b>  <a href="http://www.audit.wales/publication/reflecting-year-one">http://www.audit.wales/publication/reflecting-year-one</a></p>		
<b>Proposal For Improvement</b>	<b>Response</b>	<b>Progress Status</b>
The report did not include any recommendations or proposals for improvement.	<b>None required</b>	<b>N/A</b>
<p><b>Wales Audit Office – National Studies</b>  <b>Savings Planning in Councils in Wales – Published: May 2017</b>  <a href="http://www.audit.wales/publication/savings-planning-councils-wales">http://www.audit.wales/publication/savings-planning-councils-wales</a></p>		
<b>Proposal For Improvement</b>	<b>Response</b>	<b>Progress Status</b>
The report did not include any recommendations or proposals for improvement, although proposals for improvement were included in local reports issued to each Council.	<b>None required</b>	<b>N/A</b>

<b>Public Procurement in Wales - Published: October 2017</b> <a href="http://www.audit.wales/publication/public-procurement-wales">http://www.audit.wales/publication/public-procurement-wales</a>		
<b>Proposal For Improvement</b>	<b>Response</b>	<b>Progress Status</b>
<p>The report contained seven recommendations. Six of the recommendations were for the Welsh Government, one of the recommendations was for public bodies:</p> <p><b>R3</b> It was clear from our sampling that some procurement strategies are out of date and there has also been a mixed response to new policy and legislation, such as the Well-being of Future Generations (Wales) Act 2015.</p> <p>We recommend that public bodies review their procurement strategies and policies during 2017-18 and on an annual basis thereafter to ensure that they reflect wider policy and legislative changes and support continuous improvement.</p>	<p>The Procurement Strategy is currently being reviewed with the aim of a revised and updated strategy being adopted by the end of March 2019. The Strategy will be considered by CROSC prior to Cabinet endorsement.</p>	<b>Green</b>

<b>Good governance when determining significant service changes – National Summary - Published: October 2017</b> <a href="http://www.audit.wales/publication/good-governance-when-determining-significant-service-changes">www.audit.wales/publication/good-governance-when-determining-significant-service-changes</a>		
<b>Proposal For Improvement</b>	<b>Response</b>	<b>Progress Status</b>
<p>The report did not include any recommendations or proposals for improvement, although proposals for improvement were included in local reports issued to each Council. The report was designed primarily to provide insight, share existing practice and prompt further conversations and discussions between councils and other organisations.</p>	<b>None required</b>	<b>N/A</b>

<b>Local Government Financial Reporting 2016 -17 - Published: December 2017</b> <a href="http://www.audit.wales/publication/local-government-financial-reporting-201617">http://www.audit.wales/publication/local-government-financial-reporting-201617</a>		
<b>Proposal For Improvement</b>	<b>Response</b>	<b>Progress Status</b>
<p>The report did not include any recommendations or proposals for improvement.</p>	<b>None required</b>	<b>N/A</b>



<b>How Local Government manages demand – Homelessness - Published: January 2018</b> <a href="http://www.audit.wales/publication/how-local-government-manages-demand-homelessness">http://www.audit.wales/publication/how-local-government-manages-demand-homelessness</a>		
<b>Proposal For Improvement</b>	<b>Response</b>	<b>Progress Status</b>
<p><b>R1</b> Implementing the Housing (Wales) Act 2014 requires local authorities to develop services which are focussed on preventing homelessness and reducing demand. These are very different to traditional casework led homelessness services, and prevention work requires new skills and early interaction with users and potential users. We found local authorities' progress in revising and strengthening services is variable (paragraphs 1.12 to 1.20).</p> <p><b>We recommend that local authorities:</b></p> <ul style="list-style-type: none"> <li>- ensure their staff are sufficiently skilled to deal with the new demands of mediating, problem solving, negotiating and influencing with homeless people; and</li> <li>- review and reconfigure their services to engage more effectively with homeless and potentially homeless people to prevent homelessness.</li> </ul>	<p>Currently have The Wallich working with the team one day per week to provide specialist mediation. The Wallich are a Homeless Charity that receive funding from Welsh Government to provide mediation for Flintshire Residents facing homelessness. Training for FCC staff in this area to commence 2019/20</p> <p>Ongoing – A number of reviews are ongoing into the provision of services to increase engagement. We have a Planned Outreach Worker Pilot to commence Q4 2018/19 to increase engagement with rough sleepers and also clients accessing emergency bed provision. We are also implementing a Housing Solutions Pilot to deliver a more joined up service for clients with multiple and complex needs. This is planned to commence in 19/20.</p>	<b>Amber</b>
<p><b>R2</b> The Welsh Government provided funding to support local authorities to implement the Housing (Wales) Act 2014 and this funding has been critical in enabling new preventative services to be developed. The funding is in place until 2019-20 but authorities need to ensure they use headspace provided by these resources to revise their services to deliver their responsibilities in the future (paragraphs 1.21 to 1.28).</p> <p><b>We recommend that local authorities review their funding of homelessness services to ensure that they can continue to provide the widest possible preventative approach needed. Reviews should consider use of Supporting People as well as General Council fund monies to support delivery of the authority's homelessness duties.</b></p>	<p>To be completed as part of restructure currently underway. SP Funding is currently used to support delivery.</p>	<b>Amber</b>
<p><b>R3</b> How services are configured and managed at the first point of contact can significantly influence how effective local authorities are in managing and reducing demand. Easy to access services which maximise usage, avoid gate keeping and focus on early solutions can significantly improve the prospects for successful</p>	<p>Housing Intervention Pilot commenced in September 2018. This team consists of income officers and support workers</p>	<b>Amber</b>

<p align="center"><b>How Local Government manages demand – Homelessness - Published: January 2018</b>  <a href="http://www.audit.wales/publication/how-local-government-manages-demand-homelessness">http://www.audit.wales/publication/how-local-government-manages-demand-homelessness</a></p>		
<b>Proposal For Improvement</b>	<b>Response</b>	<b>Progress Status</b>
<p>homelessness prevention. We found that some authority point of entry systems are poorly designed which reduces the authority's prospects for early intervention to prevent homelessness from occurring (paragraphs 2.4 to 2.11).</p> <p><b>We recommend that local authorities:</b></p> <ul style="list-style-type: none"> <li>- design services to ensure there is early contact with service users;</li> <li>- use 'triage' approaches to identify and filter individuals seeking help to determine the most appropriate response to address their needs; and</li> <li>- test the effectiveness of first point of contact services to ensure they are fit for purpose.</li> </ul>	<p>working together to identify and tackle rent arrears at an early stage and put support in place to address and enable tenants to sustain their tenancies and reduce the risk of becoming homeless. This pilot has been successful and will be rolled out further in 2019/20.</p> <p>Triage service has been in place since 2015. A review this year has identified some changes to provide improvements and more consistency to this service and a pilot of new working methods will be in place Q4 2018/19.</p>	
<p><b>R4</b> Establishing clear standards of service that set out what the authority provides and is responsible for is critical to ensuring people know what they are entitled to receive and what they need to resolve themselves. We found that authorities are not always providing clear, concise and good quality information to help guide people to find the right advice quickly and efficiently (paragraphs 2.12 to 2.17).</p> <p><b>We recommend that local authorities publish service standards that clearly set out what their responsibilities are and how they will provide services to ensure people know what they are entitled to receive and what they must do for themselves. Service standards should:</b></p> <ul style="list-style-type: none"> <li>- be written in plain accessible language.</li> <li>- be precise about what applicants can and cannot expect, and when they can expect resolution.</li> <li>- clearly set out the applicant's role in the process and how they can help the process go more smoothly and quickly.</li> <li>- be produced collaboratively with subject experts and include the involvement of people who use the service(s).</li> <li>- effectively integrate with the single assessment process.</li> <li>- offer viable alternatives to the authority's services.</li> <li>- set out the appeals and complaints processes. These should be based on fairness and equity for all involved and available to all.</li> </ul>	<p>Service standards are currently being developed and will be implemented 2019/20.</p>	<b>Amber</b>

<b>How Local Government manages demand – Homelessness - Published: January 2018</b> <a href="http://www.audit.wales/publication/how-local-government-manages-demand-homelessness">http://www.audit.wales/publication/how-local-government-manages-demand-homelessness</a>		
Proposal For Improvement	Response	Progress Status
<p><b>R5</b> Local authorities need to design services to engage with service users effectively and efficiently, but current standards are too variable to ensure service users are getting access to the advice they need (paragraphs 2.18 to 2.24).</p> <p><b>To improve current performance we recommend that local authorities make better use of their websites to help manage demand by:</b></p> <ul style="list-style-type: none"> <li>- testing the usability and effectiveness of current website information using our lines of enquiry set out in Appendix 5;</li> <li>- increasing and improving the range, quality and coverage of web based information; making better use of online applications; and –</li> <li>- linking more effectively to information from specialist providers and advice specialists, such as Citizens Advice</li> </ul>	<p>Website content currently under review to ensure information is up to date, easy read and customer friendly.</p> <p>Triage service to be made available online in 2019/20</p> <p>Corporate customer portal being introduced in 2019/20. Plans are to include access to housing and homeless applications further down the line, likely to be 2020.</p>	<b>Amber</b>
<p><b>R6</b> The Housing (Wales) Act 2014 introduces a new duty on social services and housing associations to collaborate with local authority homelessness services in preventing homelessness. We found that these arrangements are not operating effectively and service responses to prevent homelessness and assist homeless people are not always being provided, nor are they consistently effective (paragraphs 3.13 to 3.25).</p> <p><b>We recommend that local authorities set out and agree their expectations of partners identifying how they will work together to alleviate homelessness. The agreement should be reviewed regularly and all partners' performance reviewed to identify areas for improvement.</b></p>	<p>A number of collaborative projects already in place including:</p> <ul style="list-style-type: none"> <li>• Integrated Young Person Team (Dedicated Social Services and Homeless Officers)</li> <li>• Early Help Hub – Housing, Police, Health and Social Services</li> <li>• Specialist housing Group – Social Housing providers across the county, housing representatives and social services.</li> </ul> <p>Continuation of reviews and identification of wider opportunities to work more effectively in partnership will continue throughout 2019/20</p>	<b>Amber</b>

<b>How Local Government manages demand – Homelessness - Published: January 2018</b> <a href="http://www.audit.wales/publication/how-local-government-manages-demand-homelessness">http://www.audit.wales/publication/how-local-government-manages-demand-homelessness</a>		
Proposal For Improvement	Response	Progress Status
<p><b>R7</b> Local authorities monitoring systems and evaluation approaches to ensure compliance with their responsibility under the Equality Act 2010 and the Public Sector Equality Duty are not working as well as they should (paragraph 3.35 to 3.39).</p> <p><b>We recommend that local authorities address weaknesses in their equalities monitoring, and ensure that their homelessness service accurately records and evaluates appropriate data to demonstrate equality of access for all service users that the local authority has a duty towards.</b></p>	<p>ICT developments currently underway to capture more equalities data at first point of contact. Due to be implemented Q4 2018/19.</p> <p>Further work is required and has been built into the Council's Strategic Equality plan to ensure progress is monitored.</p>	<b>Amber</b>
<p><b>R8</b> Managing demand can be challenging for local authorities. There are some clear lessons to be learnt with regard to the implementation of the Housing (Wales) Act 2014 and homelessness prevention duties that can be applied to managing demand in other services (paragraphs 4.24 to 4.27).</p> <p><b>We recommend that local authorities use the checklist set out in Appendix 10 to undertake a self-assessment on services, to help identify options to improve how they can help manage demand.</b></p>	<p>Checklist completed and will be used to inform priorities for 2019/20</p>	<b>Green</b>

<b>Housing Adaptations - Published: February 2018</b> <a href="http://www.audit.wales/publication/housing-adaptations">http://www.audit.wales/publication/housing-adaptations</a>		
Proposal For Improvement	Response	Progress Status
<p>The report contained eight recommendations. One of the recommendations was for the Welsh Government, seven of the recommendations were for local authorities and/or delivery organisations</p>		
<p><b>R2</b> Most public bodies are clear on how their work on adaptations can positively impact on disabled and older people, and have set suitable aims that provide focus for action. For adaptations, having the right strategic goals also establishes a clear basis for decision-making on who should be prioritised for services and how and where to use resources. However, we found that current policy arrangements have a number of deficiencies and public bodies are not maximising the benefit of their investment (paragraphs 3.8 to 3.15).</p>	<p>There is currently a monthly monitoring meeting chaired by Flintshire Council's Regeneration Team and attended by Occupational therapists, Flintshire's social housing allocations team and Care and</p>	<b>Green</b>

### Housing Adaptations - Published: February 2018

<http://www.audit.wales/publication/housing-adaptations>

Proposal For Improvement	Response	Progress Status
<p><b>We recommend that local authorities work with partner agencies (health bodies, housing associations and Care and Repair) to strengthen their strategic focus for the provision of adaptations by:</b></p> <ul style="list-style-type: none"> <li>- setting appropriate strategic objectives for adaptations that focus on wellbeing and independence;</li> <li>- improving the quality of information on the demand for adaptations by using a wide range of data to assess need including drawing on and using information from partners who work in the local-authority area; and</li> <li>- linking the system for managing and delivering adaptations with adapted housing policies and registers to make best use of already adapted homes</li> </ul>	<p>Repair North East Wales. It was agreed that these meetings would be expanded in April/May 2019 to establish a new Housing Adaptations Best Practice Group (HABPG) for the Flintshire Authority area. The new group meetings will include all our partner agencies who are delivering Adaptions, sharing best practice, monitoring timescales, capacity etc. Care and Repair North East Wales currently have a member on the Welsh Governments steering groups on Enable Adaptations and will provide support ensuring outcomes are in line with WG's agendas.</p> <p>Cases are reviewed to provide the best possible outcome for the referrer. Partnering is currently taking place with Care and Repair North East Wales completing some of the Enable adaptations on behalf of the Flintshire Council.</p>	
<p><b>R3</b> Ensuring that all those who might need an adaptation have all the information they need in order to apply for and receive an adaptation is important. Good-quality and accessible information is therefore essential for delivery organisations to demonstrate fair access and transparency. However, we identified weaknesses in the quality and coverage of public information relating to housing adaptations (paragraphs 2.6 to 2.15).</p> <p><b>We recommend that delivery organisations provide information on housing adaptations in both Welsh and English, and accessible formats including braille, large fonts, audio versions and other languages. Information should be promoted widely via a range of media including social media, websites and published information, and also through key partners. Preferably, information should be produced jointly and policies aligned between delivery bodies to improve coverage and usage.</b></p>	<p>The new group will investigate the option to co-produce information, providing a consistent approach and message to the public.</p> <p>A service user group will be engaged through Care and Repair to discuss content and ease of use</p> <p>Invites are prepared for the new Housing</p>	<b>Green</b>

### Housing Adaptations - Published: February 2018

<http://www.audit.wales/publication/housing-adaptations>

Proposal For Improvement	Response	Progress Status
	<p>Adaptations best practice group</p> <p>A Draft Agenda has been prepared</p> <p>Pre-meeting feedback will be requested to ensure the aims of the new group are understood.</p>	
<p><b>R4</b> Given the wide number of routes into services, delivery organisations need to ensure they have robust systems to deal effectively and quickly with applications. However, we found that the processes used by delivery organisations vary widely and often create difficulties for disabled and older people seeking assistance (paragraphs 2.16 to 2.19).</p> <p><b>We recommend that delivery organisations streamline applications by creating single comprehensive application forms covering all organisations within a local-authority area that are available via partners and online.</b></p>	<p>A single streamline application form will be discussed at the new Best Practice Group</p> <p>A recent review has taken place of Flintshire County Councils own delivery methods and application forms, the results of the review will be shared within the new group.</p> <p>Care and Repair North East Wales are currently looking to resource a new data base with the option to include an online portal.</p>	<b>Green</b>
<p><b>R5</b> Delivery of adaptations can be delayed by a variety of factors (paragraphs 2.20 to 2.33). To improve timeliness in delivery <b>we recommend that:</b></p> <ul style="list-style-type: none"> <li>- the Welsh Government reviews whether local authorities should continue to use the means test for Disabled Facilities Grants (DFGs);</li> <li>- local authorities provide or use home improvement agency services to support disabled and older people to progress their DFG applications efficiently;</li> <li>- delivery organisations work with planning authorities to fast track and streamline adaptations that require approvals;</li> <li>- delivery organisations use Trusted Assessors to undertake less complex adaptation assessments; and</li> <li>- the Welsh Government streamlines its approval processes for Physical Adaptation Grants (PAGs).</li> </ul>	<p>Flintshire Council would welcome any additional funding Welsh government could provide, such as an increased Enable provision, to support the removal of means testing.</p> <p>As part of the HABPG we will look into the support required for the DFG application process. Home visits are being investigated as part of a learning visit to neighbouring authorities to share good practice Care and Repair have also offered to support</p>	<b>Green</b>

### Housing Adaptations - Published: February 2018

<http://www.audit.wales/publication/housing-adaptations>

Proposal For Improvement	Response	Progress Status
	<p>the process by completing home visits and operate as trusted assessors for less complex cases.</p> <p>HABPG will look at the College of Occupational therapists' guidelines for best practice "Minor Adaptations without delay " which is currently due to be updated this year.</p> <p>The Benefits section of Flintshire County Council have recently had part of the application process transferred to them to ease means testing and information gathering</p>	
<p><b>R6</b> Most local authorities, housing associations and Care and Repair agencies have established processes to appoint, oversee and manage builder and/or contractor performance. However, we found wide variations in how delivery organisations arrange, contract and deliver building works (paragraphs 2.37 to 2.44).</p> <p><b>We recommend that delivery organisations:</b></p> <ul style="list-style-type: none"> <li>- introduce formal systems for accrediting contractors to undertake adaptations. These should include: <ul style="list-style-type: none"> <li>o standards of customer care such as keeping to appointments, keeping the site tidy, controlling noise etc;</li> <li>o vetting of financial standing, tax and VAT status;</li> <li>o promoting good health and safety practices;</li> <li>o requiring the use of warranty schemes;</li> <li>o ensuring that adequate insurance is held; and</li> <li>o requiring references.</li> </ul> </li> <li>- use framework agreements and partnered contracts to deliver adaptations;</li> <li>- address weaknesses in the contracting of adaptations, updating Schedule of Rates used to tender work and undertaking competitive tendering to support value for money in contracting;</li> <li>- develop effective systems to manage and evaluate contractor performance by:</li> </ul>	<p>This will be discussed at the HABPG Meetings and a common process developed for Flintshire as a whole.</p> <p>A review will take place of all our current practices including customer satisfaction surveys to enable us to identify areas of weakness.</p> <p>HABPG to investigate the option of a cross cutting framework agreement and/or partnering contract, including joint procurement methods.</p> <p>Currently Flintshire County Council has a framework in place for DFG's which provides for the recommendations in R6</p>	<p><b>Green</b></p>

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Proposal For Improvement	Response	Progress Status
<ul style="list-style-type: none"> <li>○ setting an appropriate range of information to judge performance and delivery of works covering timeliness of work; quality of work; applicant/tenant feedback; cost of work (including variations); health and safety record; and customer feedback;</li> <li>○ regularly reporting and evaluating performance to identify opportunities to improve services; and</li> <li>○ providing formal feedback to contractors on their performance covering key issues such as client satisfaction, level and acceptability of variations, right first-time work, post-inspection assessment and completion within budget and on time.</li> </ul>	<p>and can be used as a template for other organisations within the HABPG to measure and compare performance.</p>	
<p><b>R7</b> Maximising impact and value for money in provision of adaptations requires effective joint working between housing organisations and health and social care services to ensure the needs of often very vulnerable people can be met, and their quality of life improved. However, our findings highlight that delivery organisations continue to have a limited strategic focus on adaptations, concentrating on organisational specific responses rather than how best collectively to meet the needs of disabled or older people (paragraphs 3.16 to 3.21).</p> <p><b>We recommend that local authorities work with partner agencies (health bodies, housing associations and Care and Repair) to develop and improve joint working to maximise both take-up and the benefits of adaptations in supporting independence by pooling of resources, co-locating staff and creating integrated delivery teams.</b></p>	<p>The HABPG will look to establish a partnership approach with a common agreement to share resources and support each other to deliver a customer focused service. This method of working will take time to establish but will be written into the terms of reference of the group.</p> <p>By Summer 2019</p>	<b>Green</b>
<p><b>R8</b> Most public bodies recognise the value of adaptations in reducing the risk of falls, preventing hospital admissions and speeding up discharge from hospital. However, the importance of adaptations is not always reflected in local partnership arrangements and outside of Occupational Therapists, health professionals noted that the different local-authority and housing-association systems for administering, approving and delivering adaptations are difficult to navigate (paragraphs 3.22 to 3.24).</p> <p><b>To enhance take-up and usage of adaptations with health bodies we recommend that delivery organisations jointly agree and publish joint service standards for delivery of adaptations within each local-authority area. The service standards should clearly set out how each agency approaches delivery of adaptations and how they will provide services to ensure people know what they are entitled to receive. Service Standards should:</b></p> <ul style="list-style-type: none"> <li>- be written in plain accessible language;</li> <li>- be precise about what people can and cannot expect to receive;</li> <li>- be produced collaboratively to cover all adaptations services within an area;</li> </ul>	<p>The HABPG will look to set out these standards in partnership with the new Enable funding guidelines</p> <p>A marketing and communication strategy to be developed to communicate the process and different approaches</p> <p>By Summer 2019</p>	<b>Green</b>



<b>Housing Adaptations - Published: February 2018</b> <a href="http://www.audit.wales/publication/housing-adaptations">http://www.audit.wales/publication/housing-adaptations</a>		
<b>Proposal For Improvement</b>	<b>Response</b>	<b>Progress Status</b>
<ul style="list-style-type: none"> <li>- set out the eligibility for the different funding streams, application and assessment processes, timescales and review processes; and</li> <li>- offer the viable options and alternatives for adaptations including linking with adapted housing registers to maximise use of already adapted homes</li> </ul>		

<b>Speak my language: Overcoming language and communication barriers in public services - Published: April 2018</b> <a href="http://www.audit.wales/publication/speak-my-language-overcoming-language-and-communication-barriers-public-services">http://www.audit.wales/publication/speak-my-language-overcoming-language-and-communication-barriers-public-services</a>		
<b>Proposal For Improvement</b>	<b>Response</b>	<b>Progress Status</b>
Ensuring that people who face language and communication barriers can access public services	<b>None required</b>	<b>N/A</b>
<p><b>R1</b> Public bodies are required to ensure that people can access the services they need. To take account of the requirements of the 2010 Equality Act and other legislation, we recommend that public bodies regularly review the accessibility of their services to people who do not speak English or Welsh as a main language including Deaf people who use sign language. This assessment can include using our checklist. Developing interpretation and translation services in Wales</p>	Flintshire County Council currently use Language Line to support people to access Council services when they do not speak English or Welsh. A review of the existing arrangements started in March 2019 and includes Wrexham, Conwy and Denbighshire	<b>Amber</b>

<b>Strategic Commissioning of Accommodation Service for Adult with Learning Disabilities - Published: May 2018</b> <a href="http://www.audit.wales/strategic-commissioning-learning-disabilities">http://www.audit.wales/strategic-commissioning-learning-disabilities</a>		
<b>Proposal For Improvement</b>	<b>Response</b>	<b>Progress Status</b>
<p><b>R1</b> People with a learning disability have a right to live independently. The last 50 years have seen significant changes in the provision of accommodation and support, Service provision has moved to a model that enables people to live in the community in ordinary houses throughout Wales (Paragraph 1.3 to 1.10).  <b>We recommend that local authorities continue to focus on preventing people becoming dependant on more expensive placements in care homes by providing effective support at home and a range of step up accommodation by:</b></p> <ul style="list-style-type: none"> <li>- improving the evaluation of prevention activity so local authorities understand what works well and why.</li> <li>- utilising the mapping of prevention services under the Social Services and Well-being (Wales) Act 2014 that covers other agencies and service providers.</li> <li>- improving the signposting of additional help so carers and support networks can be more resilient and self-reliant. This should include encouraging carers to make long-term plans for care to maintain and protect their dependants' wellbeing.</li> <li>- sharing risk analysis and long-term planning data with other local authorities, service providers, and partners to agree a shared understanding of the range of options.</li> </ul>	<p>Significant work in progress in relation to support the progression / independence agenda for people with learning disabilities.</p> <p>The carer strategy and action plans cover the need to support carers including contingency planning.</p> <p>Improvements could be made in relation to sharing risk analysis – however work is being undertaken in developing a domiciliary framework for learning disabilities.</p>	<b>Green</b>
<p><b>R2</b> Population projections show that the number of people with a learning disability will increase in the future, and those aged over 65 and those with a moderate or severe learning disability will rise significantly (paragraph 1.3 to 1.10).  <b>We recommend that local authorities improve their approach to planning services for people with learning disabilities by building on the Regional Partnerships Boards' population assessments for people with learning disabilities and agreeing future priorities</b></p>	<p>We are currently in the process and final draft of a North Wales commissioning strategy for all adults' with a learning disability services. The consultation process has been completed and final amendments are being made to the regional strategy. The expected final completion date is April 2019 .</p>	<b>Green</b>
<p><b>R3</b> The Welsh Government produced guidance to local authorities, entitled 'developing a commissioning strategy for people with a learning disability' to support authorities in producing strategic plans for the commissioning of learning disability services. In conjunction with codes of practice developed following the Social Services and Well-being (Wales) Act 2014, the Welsh Government requires local authorities to develop integrated commissioning options with Local Health Board services. The aim is to provide a joined-up and cost-effective approach to the commissioning of services but our review-highlighted weaknesses in current arrangements (paragraph 2.4 to 2.12).  <b>We recommend that local authorities do more to integrate commissioning arrangements with partners</b></p>	<p>The regional transformational bid for Learning Disabilities hosted by Flintshire has appointed a project manager and we are in the process of appointing 8 regional coordinators to take forward 5 key transformational work streams to address the Transformation. Interviews are taking place week beginning</p>	<b>Green</b>

<b>Strategic Commissioning of Accommodation Service for Adult with Learning Disabilities - Published: May 2018</b> <a href="http://www.audit.wales/strategic-commissioning-learning-disabilities">http://www.audit.wales/strategic-commissioning-learning-disabilities</a>		
Proposal For Improvement	Response	Progress Status
<p><b>and providers and take account of the work of the National Commissioning Board by:</b></p> <ul style="list-style-type: none"> <li>- understanding the barriers that exist in stopping or hindering further integration;</li> <li>- improving the quality of joint strategic plans for learning disability services (see also paragraphs 3.11 to 3.14);</li> <li>- establishing investment models and sustainable financial structures, joint workforce planning and multi-year budgeting; and</li> <li>- developing appropriate governance and data sharing frameworks with key local partners that include a clear process for managing risk and failure.</li> </ul>	<p>11<sup>th</sup> March , there is an expectation that all 8 posts will be appointed to , with all successful candidates in post by mid to end of May 19 .</p> <p>As part of the Transformation work the service will explore establishing investment models and sustainable financial structures, and joint workforce planning.</p>	
<p><b>R4</b> Local authorities' engagement with people with learning disabilities and their carers is variable. Whilst many authority services have positive relationships with advocacy groups, some are less successful in involving these groups and carers in evaluating the quality of services (paragraph 2.18 to 2.20).  <b>We recommend that local authorities do more to involve people with learning disabilities and their carers in care planning and agreeing pathways to further independence by:</b></p> <ul style="list-style-type: none"> <li>- consistently including people with learning disabilities and their carers in the writing, monitoring and development of care plans;</li> <li>- systematically involving carers and advocacy groups in evaluating the quality of services;</li> <li>- involving people with learning disabilities in procurement processes; and</li> <li>- ensuring communications are written in accessible and appropriate language to improve the understanding and impact of guidance and information.</li> </ul>	<p>We are currently doing this - no further actions required</p>	<b>Green</b>
<p><b>R5</b> Local Authorities could do more to involve service providers in commissioning and make the tendering process more effective by making it easier to navigate and more outcome focused. However, providers are not as effectively engaged as they should be (paragraphs 2.28 to 2.38).  <b>We recommend that local authorities collaborate with providers, the third sector and suppliers in understanding challenges, sharing data, and pooling expertise by:</b></p> <ul style="list-style-type: none"> <li>- improving the quality, range, and accessibility of tendering information; and</li> <li>- working with providers to shape local markets by coming to a common understanding of the opportunities, risks, and future priorities in providing learning disabilities services</li> </ul>	<p>Work is being undertaken to develop a domiciliary framework for learning disabilities.</p> <p>As part of the adults commissioning strategy we are speaking to care providers.</p>	<b>Green</b>
<p><b>R6</b> Most local authorities do not have effective arrangements to monitor and evaluate their commissioning</p>		

<b>Strategic Commissioning of Accommodation Service for Adult with Learning Disabilities - Published: May 2018</b> <a href="http://www.audit.wales/strategic-commissioning-learning-disabilities">http://www.audit.wales/strategic-commissioning-learning-disabilities</a>		
Proposal For Improvement	Response	Progress Status
<p>of learning disability services (paragraphs 3.3 to 3.15).</p> <p><b>We recommend that local authorities develop a more appropriate set of performance indicators and measures of success that make it easier to monitor and demonstrate the impact of service activity by:</b></p> <ul style="list-style-type: none"> <li>- co-designing measures, service and contract performance indicators with service providers, people with learning disabilities and their carers;</li> <li>- ensure commissioners have sufficient cost and qualitative information on the full range of placement and care options available;</li> <li>- equipping commissioners with data to demonstrate the long-term financial benefits of commissioning choices, this includes having the right systems and technology;</li> <li>- integrating the outcomes and learning from reviews of care plans into performance measures;</li> <li>- evaluating and then learning from different types of interventions and placements; and</li> <li>- including learning disability services in local authority scrutiny reviews to challenge performance and identify improvements.</li> </ul>	<p>Work ongoing as part of the national and local performance indicator developments.</p> <p>Details of performance also forms part of the specification in relation to the Domiciliary care framework .</p>	<b>Green</b>

## External Regulation – Reporting Protocol

**External arrangements** for regulation and assurance are provided by a number of statutorily appointed bodies such as the Wales Audit Office (WAO), Estyn and the Care Inspectorate Wales (CIW), plus a number of other external regulatory bodies.

Their role is independent of government and they examine various aspects of how Welsh public bodies work. For example the WAO carries out financial audits and examines how the organisation manages and spends public money, including achieving value in the delivery of public services. Other bodies such as Estyn focus on the quality and standards in education and training providers in Wales.

According to the role and remit of each body, they produce either periodic or annual reports on their findings. All formal reports, also known as local reports, which are specific to the Council are presented to the Cabinet and Audit Committee and considered by the various Overview and Scrutiny Committees as appropriate.

The roles are as follows:

- i) Cabinet – the Executive response
- ii) Overview and Scrutiny – scrutiny of the response
- iii) Audit Committee – assurance of the arrangements.

Progress against the resultant action plans are also monitored by Cabinet and Overview & Scrutiny. Some reports, such as the Annual Improvement Report are presented to the full Council.

National study reports published by the WAO are also considered as to the relevance of the recommendations and responses made accordingly.

The WAO meets regularly with the Chief Executive to discuss the achievement of co-ordination and proportionality of external regulatory work, as well as the role that regulation can play in ‘adding value’ through supporting improvement.

**Internal arrangements** for co-ordinating regulatory activity is held by Chief Executive’s (Corporate Business and Communications Team). All external reports are to be shared with the Team (if they have not already been sent direct from the external regulatory agency) and, agreement reached as to which Committee the report is to be presented to. In addition a Council response is to be prepared by the lead portfolio for presentation with each report.

Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 8



## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 27 March 2019
<b>Report Subject</b>	Internal Audit Strategic Plan
<b>Report Author</b>	Internal Audit Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

All principle local authorities subject to the Accounts and Audit (Wales) Regulations must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control. It must make provision for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note issued alongside it.

In line with the Standards, internal audit must produce a risk based plan taking into account the need to produce an annual audit opinion and linked to the organisation's objectives and priorities.

The three year Flintshire Internal Audit Strategic Plan is attached, Appendix A. The first year of the plan is completed in greater detail highlighting high priority audits and annual reviews to be completed during the financial year 2019/20. Medium priority audits will be scheduled to audit subsequently, unless higher priority work is identified through the quarterly monitoring of the plan.

### RECOMMENDATIONS

1	<p>The Committee is requested to consider the Flintshire Internal Audit Strategic Plan and to make comments on its content. In doing so the committee is asked to consider:</p> <ul style="list-style-type: none"><li>• Does the three year plan for Internal Audit as set out in Appendix A reflect the areas that the Committee believe should be covered?</li><li>• Does the first year of the plan reflect the areas that should be prioritised?</li><li>• Is the level of audit resources accepted by the Committee and agreed as appropriate, given the level of assurance required?</li></ul>
2	<p>The committee is required to approve the Flintshire Internal Audit Strategic Plan for 2019-2022.</p>

## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT</b>
1.01	Each year Flintshire Internal Audit prepares a three year audit plan, with the first year completed in more detail. This plan is designed to meet the professional standards required of us in order to review and evaluate the risk management, control, and governance arrangements within the Authority.
1.02	The Council's Plan and the strategic risks within CAMMs (Risk & Performance Management system) are aligned to the Council's objectives and priorities. The Flintshire Internal Audit plan, which is attached, takes into account these objectives and risks in addition to materiality of spend, reputational risk, and discussions with management.
1.03	The final plan was produced after consultation with the Portfolio management teams, the Chief Executive and Wales Audit Office. The plan covers various types of work including, but not limited, to risk based, system based, advice & consultancy, and value for money projects as well as our involvement in development projects.
1.04	<p>The plan for 2019/20 has been formulated for the current level of resources, 1,395 productive days. Days per audit have not been recorded within the plan set out in Appendix A, as days will be allocated to each audit following the opening meeting to ensure appropriate resources are allocated.</p> <p>All high priority audits and annual reviews detailed within the plan will be undertaken within 2019/20. Those medium priority audits will be kept under constant review during quarterly meetings with Chief Officers and their management teams, WAO and bimonthly meetings with the Chief Executive. Any work required to respond to emerging issues or risks may take precedence over the medium priority reviews.</p> <p>Those audits deferred in 2018/19 have been include within the 2019/20 annual audit plan.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None from this report. The resources needed for the plan use the resources available.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Consultation carried out with Portfolio management teams, Chief Officers, the Chief Executive and Wales Audit Office.



<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Flintshire Internal Audit is part of the governance framework and provide assurance on governance, risk management and internal control. The plan needs to provide the basis for that assurance over the coming years.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Draft Flintshire Internal Audit Strategic Plan – 2019/2022

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager  <b>Telephone:</b> 01352 702231  <b>E-mail:</b> Lisa.brownbill@flintshire.gov.uk</p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Improvement Plan:</b> the document which sets out the priorities of the Council. It is a requirement of the Local Governance (Wales) Measure 2009 to set Improvement Objective and publish and Improvement Plan.</p> <p><b>Wales Audit Office:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p><b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p><b>Wales Chief Auditors Group:</b> An informal meeting group of Chief Auditors to discuss items of mutual interest.</p> <p><b>Operational Plan:</b> the annual plan of work for the Internal Audit team.</p> <p><b>Alternative Delivery Models:</b> operating models which are different from currently or traditional methods of service delivery and which are responding to changed situations to sustain important services.</p> <p><b>CAMMS:</b> an integrated planning, risk management and programme/project management and reporting system.</p> <p><b>Risk Management:</b> the process of identifying risk, evaluating their potential consequence and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by process of</p>

controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.

**P2P:** Purchase to Pay. An electronic system used within the Authority to manage purchasing.

**IDEA:** Audit sampling software that enables us to compare large amounts of data to identify matches or duplicates.

**Root Cause Analysis:** a method of problem solving used for identifying the root causes of faults or problems.

# Flintshire Internal Audit

Strategic Plan



DRAFT  
2019/20 –  
2021/22

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Presented to Audit Committee, 27 March 2019

## Section One: Introduction

- 1.1 This document summarises the work undertaken to develop the Internal Audit Strategic Plan for 2019-2022. It covers:
- Role, Responsibilities and Scope of Internal Audit
  - Available Resources
  - Reporting Arrangements
  - Proposed detailed programme of work for 2019/20 and summary of work for 2020/21 – 2021/22

- 1.2 As required the strategic plan has been prepared in accordance with the best practice requirements set out in the Public Sector Internal Audit Standards (PSIAS).

- 1.3 The Council has adopted the PSIAS definition of Internal Auditing:

*Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes'.*

- 1.4 In accordance with PSIAS, the mission of Internal Audit is to 'enhance and protect organisational value by providing risk based and objective assurance, advice and insight'.

- 1.5 In line with these requirements, we perform our internal audit work with a view to reviewing and evaluating risk management, control and governance arrangements that the organisation has in place, and to support the Council in achieving its aims, objectives and priorities set out in the Council Plan.

- 1.6 The work is designed to enable the Internal Audit Manager to arrive at her year-end annual audit opinion on the adequacy and effectiveness of governance, risk management and the control environment. The Annual Audit Report provides evidence to support the Annual Governance Statement.

- 1.7 As required by the PSIAS, the Internal Audit Service is delivered and developed in accordance with the Internal Audit Charter. The Charter defines the role, scope, independence, authority, and responsibility of the Internal Audit Service. The Council has formally agreed these provisions and sets out the Internal Audit Charter in Section 29.1 of the Council's Constitution.

## Section Two: Role, Responsibilities and Scope

### 2.1 Role and Responsibilities of Internal Audit

- Review and develop the Council's governance processes.
- Assist in the development of an effective internal control environment.
- Provide advice, consultancy and insight on all operations within the Council and provide added corporate value.
- Evaluate the effectiveness of the Council's internal control, risk management and governance arrangements by providing independent and objective assurance to management and Audit Committee.

### 2.2 Scope of Internal Audit

- Covers the entire control environment within the Council including both financial and non-financial systems.
- Reviews controls that protect the interests of the Council when dealing with strategic partnerships that the Council has an involvement with.
- Provides an internal audit service to 3<sup>rd</sup> parties via Service Level Agreements.

### 2.3 Responsibilities of Management

- To establish and maintain adequate systems of controls and to implement those actions identified by internal audit to improve systems of controls and improve risks. The implementation of agreed action cannot eliminate risk entirely.

### 2.4 Responsibilities of Audit Committee

- Approve the Internal Audit Charter
- Approve, but not direct, Internal Audit Strategic Plan. In approving the plan, consideration has been given to:
  - Does the three year Strategic Plan for Internal Audit (as set out Section Six) reflect the areas that the Audit Committee believe should be covered?
  - Does the first year of the plan reflect the areas that should be prioritised?
  - Is the level of audit resource accepted by the Committee and agreed as appropriate, given the level of assurance required?
- Receive quarterly reports summarising internal audit's work to seek assurance and take action where necessary.
- Make appropriate enquiries of management and the Internal Audit Manager to determine where there are inappropriate scope or resource limitations.
- Receive and consider the Annual Internal Audit Report.

### 2.5 Responsibilities for Fraud and Corruption

- Undertake investigations into reports of breaches of the Council's regulations or criminal activities i.e. fraud against the Council.
- Undertake investigations of reports from staff, other persons engaged in activities on behalf of the Council, and members of the public, regarding perceived cases of possible breach of rules or regulations, mismanagement, misconduct, or fraudulent abuse of authority.
- Refer to the police suspected criminal activity, in accordance with the Anti-Fraud and Corruption Policy and the Fraud Response Plan.
- Maintain the Council's Anti-Fraud and Corruption Policy, Fraud Response Plan and the Whistleblowing Policy.
- Administer CIPFA's National Fraud Initiative.

## Section Three: Resources

### 3.1 Delivery of the Internal Audit Service

The audit plan will be delivered by experienced and suitably qualified in-house team comprising of 8.75 FTE auditors and 1 FTE graduate trainee giving 1,395 productive days. The level of resources is considered sufficient to deliver the annual assurance opinion, however it may be necessary to use external resource to deliver more technical ICT audits should the need arise.

Where opportunities arise collaborative working is undertaken with internal audit colleagues from neighbouring authorities to deliver particular audit assignments.

### 3.2 Resource Requirements

The level of resource requirements has been assessed to ensure the delivery of an effective and efficient internal audit service to the Council. This has been based on the need to provide assurance over:

- Key financial systems
- Risk management, performance management and governance arrangements
- Front line and support services, including schools
- Procurement
- Information Governance
- Provision of advice and consultancy
- Anti-Fraud and Corruption arrangements

## Section Four: Reporting Arrangements

### 4.1 Audit Reports

Following each audit, a draft report is issued to the manager responsible for the area for consideration. The final report issued contains managements' agreed actions to address the audit findings together with a proposed date of implementation. A copy of the report is distributed to the relevant:

- Responsible Office for implementing agreed actions
- Service Manager
- Chief Officer accountable for the implementation of agreed actions

It is the responsibility of management to ensure all agreed actions are implemented.

### 4.2 Assurance Opinion

Following each audit, an assurance opinion is provided based on the information and evidence obtained during the course of the review. The purpose of the assurance opinion is to provide an assessment of the effectiveness of the risk management, control and governance arrangements in place within the area audited.

The assurance opinions used by internal audit are:

Levels of Assurance	Explanation
Green / Substantial	Strong controls in place
Amber Green / Adequate	Key controls in place but some fine tuning required
Amber Red / Some	Significant improvement in control environment required
Red / Limited	Urgent system revision required

### 4.3 Reporting to Audit Committee

On a regular basis audit committee receive internal audit progress reports for consideration. These reports identify:

- Those audits completed during the period together with the assurance opinion given.
- Details of those audits issued with a Red / Limited assurance opinion.
- Progress by management on the implementation of agreed actions.
- Measurement of internal audits performance against internal performance target and progress against the audit plan.
- An update on any investigations internal audit is involved with.
- Progress against the annual audit plan.

Where a Red / Limited assurance opinion has been given, the relevant Chief Officer and Service is asked to attend Audit committee to provide further update on progress to address the findings.

### 4.4 Annual Audit Opinion

An annual report is presented to audit committee for consideration. This report includes the Internal Audit Manager overall opinion on the effectiveness of the Council's risk management, control and governance arrangements. This opinion forms only one of the sources of assurance to support the Annual Governance Statement.



## Section Five: Development of the Strategic Plan

### 5.1 Requirements of Internal Audit

In accordance with the PSIAS, it is a requirement of the Internal Audit Manager to establish a risk-based audit plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.

### 5.2 Development and Prioritisation of Audit Coverage

An assurance mapping exercise was undertaken to develop the 2019/20-2021/22 Strategic Plan. This exercise took into consideration:

- Results of previous audit work (last audit opinion and time since last audit)
- Any changes to the Council's systems, processes, controls or service delivery
- New and emerging risks affecting the Council
- Priorities within the Council Plan
- Materiality of budget
- The Council's risk management processes
- Senior management's views of risks and priorities within their area of responsibility
- Other sources of external assurance and the results of this external assurance
- The requirement to ensure there is sufficient coverage to support an annual audit opinion
- Audit work deferred from 2018/19

Each area has been assessed and all audits identified as high priority within the plan will be undertaken within the financial year 2019/20 together with those annual audits. Audits rated as medium priority will be kept under constant review through formal quarterly meetings with Chief Officers and their management team, Chief Executive and Wales Audit Office. Any new priorities or emerging risks may take precedence over those medium priority audits.

The outline scope for each audit and type of audits undertaken is detailed within the plan.

The strategic plan will be revisited each year to confirm current priorities for internal audit coverage and to develop a detailed internal audit plan for the forthcoming year.

### 5.3 Alignment of the Audit Plan to the Council's Plan and Strategic Risks

The audit plan has been developed to align audit work to support the priorities within the Council's Plan and strategic risks. Links to both of these are detailed within the plan within Section Six.

### 5.4 Budgeted Time

To ensure the appropriate resources are allocated for each review, the audit days will be assigned following the scoping meeting.

### 5.5 Significant Changes to Planned Work

The audit plan will be kept under continuous review through formal quarterly meetings with Chief Officers and their management team, Chief Executive and Wales Audit Office. All will be reported to Audit Committee within the internal audit progress report.

## SECTION SIX: STRATEGIC PLAN FOR INTERNAL AUDIT 2019/20 – 2021/22

Audit	Outline Scope	Council Plan & Strategic Risks	Priority	Expected Output	2019 /20	2020 /21	2021 /22
<b>Corporate</b>							
Business Planning, Risk & Performance Management	To review consistency of Portfolio and Service plans, identification, escalation and mitigation of operational risk and the effectiveness of performance management arrangements to demonstrate delivery of the Council Plan.		<b>H</b>	Audit Report	■		
Voluntary Sector Grants - Revised Funding Arrangements	Review the processes in place to ensure VSG are awarded to added value' and 'fit' with the Council priorities.		<b>H</b>	Audit Report	■		
Integrated Impact Assessments	Advisory review to assess the effectiveness and application of the IIA.		<b>M</b>	Advisory Note	■		
Business Continuity	Review the effectiveness of the implementation plans for the Council's business continuity arrangements.		<b>M</b>	Audit Report	■		
Use of Consultants	Advisory work on the use of Consultants.		Annual	Advisory Note	■	■	■
<b>Education &amp; Youth</b>							
Schools Admissions / Allocation / unfilled places - Change in Demographics	Review compliance to policy and taking into consideration demographic projections, change in calculation mentioned.	Learning Council – ST179 (Red)	<b>H</b>	Audit Report	■		
Schools Budgeted Licenced Deficit	Review compliance with procedure for those schools with a licenced deficit. <span style="color: red;">(Cross Cutting with P&amp;R (F))</span>	Learning Council – ST178 (Red)	<b>H</b>	Advisory Note	■		
Early Entitlement	To consider the controls around entitlement to early years (up to 3 years old).		<b>M</b>	Audit Report	■		
Risk Based Thematic Reviews, including CRSA	Through the use of a control and risk self-assessment, this annual review focuses on risk areas identified in schools and includes compliance with the performance management policy for schools.	Learning Council	Annual	Audit Report	■	■	■
Education Grants - Including Education Improvement Grant (EIG) & Professional Development Grant (PDG)	The audit will provide assurance on the grant claim preparation and authorisation process.	Learning Council – ST178 (Red)	Annual	Advisory Note	■	■	■

Audit	Outline Scope	Council Plan & Strategic Risks	Priority	Expected Output	2019 /20	2020 /21	2021 /22
21st Century Schools (including grant)	Project management arrangements for the next phase within 21st Century Schools. Review will also consider the implications on school transport where pupils are being relocated and require transport, in accordance with current policy.	Learning Council – ST178 (Red) & ST180 (Red)	-	Audit Report		■	
Early Help Hub	Incorporate with Families First joint initiative with Social services). Support for families multi agency including NW Police (safeguarding). <b>(Cross Cutting with Social Services)</b>		-	-		■	
<b>Governance</b>							
Procurement Hardware and Software	Review procurement arrangements for Hardware and Software across all portfolios.		<b>H</b>	Audit Report	■		
Community Benefits (Social Values)	Ensure community benefits / social value is embedded in all service provision.	Connected Council	<b>H</b>	Audit Report	■		
Enforcement Agents	Consider the controls around the use of the in-house service.		<b>M</b>	Audit Report	■		
Digital Strategy	The review will determine whether all digital customers are identified.	Serving Council	<b>M</b>	Advisory	■		
GDSS Compliance - Follow Up	Follow up on the progress made following the 2018/19 audit review.		Follow Up	Audit Report	■		
Data Protection (GDPR)	Review compliance following the introduction of the new GDPR regulation.		Annual	Audit Report	■	■	■
Council Tax and NNDR (incl. grant)	High level analytical review to assess the effectiveness of internal controls within the Council financial systems. More detailed review work may be carried out depending on the results of the assessment.		Annual	Audit Report	■	■	■
Digital Print Service	The review will determine the effectiveness of the new commissioned print services, assess whether there is any off-contract spend.		-	Audit Report		■	
Customer Services and Contact Centre	Consider the controls in place following the merging of contact centres.	Connected Council	-	Audit Report		■	
<b>Housing &amp; Assets</b>							

Audit	Outline Scope	Council Plan & Strategic Risks	Priority	Expected Output	2019 /20	2020 /21	2021 /22
Housing Rent & Arrears - (and impact of UIC)	To review the Council's approach to managing and supporting individuals with rent arrears, including the use of the new Mobisoft software. <b>(Cross Cutting review between H&amp;A &amp; Gov)</b>	Supporting Council – ST153, 158, 159 (Amber) & ST160 (Red)	H	Audit Report	■		
Land - Ownership, Surplus to Requirements & Disposal	Review of the effectiveness of the process by which land is defined as surplus to requirements and suitable for disposal.		H	Audit Report	■		
Right to Buy (buyback) / Home Loans	Examine the controls in place around the Right to Buy (buyback) initiative and the Home Loan scheme.		M	Audit Report	■		
Tudalen 108 Housing Benefits (including Subsidy Grant)	Annual review to assess the effectiveness of internal controls within the Council financial systems. More detailed review work may be carried out depending on the results of the control risk self-assessment. The review will also focus on the Subsidy Grant.		Annual	Audit Report	■	■	■
Supporting People (grant)	The audit will provide assurance on the grant claim preparation and authorisation process.	Caring Council	Grant	Advisory Note	■	■	■
SARTH	Follow up on the progress made following the 2018/19 audit review.	Supporting Council – ST152 (Amber)	Follow Up	Audit Report	■		
SHARP Project	To follow up review carried out in 2018/19.	Supporting Council – ST154 (Green)	Follow Up	Audit Report		■	
Disabled Facility Grants (DFGs)	Follow up on the progress made following the 2018/19 audit review.	Supporting Council – ST156 (Amber)	Follow Up	Audit Report		■	
Housing Maintenance	The audit will focus on the value for money of the managed stores operation and the allocation of labour time charged to jobs.	Supporting Council	-	Audit Report		■	
New Homes (Development), incl Capital borrowing limit for council housing	Review of management's actions to mitigate the limits on capital borrowing and its impact on the development and construction of council housing.	Supporting Council – ST155 (Amber)	-	Audit Report		■	
Community Asset Transfers - Contract Management	Review the contract management arrangements in place for Community Asset Transfers to ensure service deliverability.	Connected Council – ST191,193 & 194 (Amber)	-	Audit Report		■	
Alternative Delivery Models (ADMs) - New	Assess community benefits (existing). Review the processes carried out for any new Alternative Delivery Model identified.	Connected Council – ST191,193 & 194 (Amber)	-	Advisory Note		■	■

Audit	Outline Scope	Council Plan & Strategic Risks	Priority	Expected Output	2019 /20	2020 /21	2021 /22
Community Asset Transfers (CATs) - New	For any new CATs, review process in place to transfer assets to the community.	Connected Council – ST191,193 & 194 (Amber)	-	Advisory Note		■	■
Homelessness	As part of the review of Homelessness, consideration will be given to the setting of personal budgets and digital support services.	Supporting Council – ST151 (Amber)	-	Audit Report			■
<b>People &amp; Resources</b>							
Corporate Grants	To review compliance with the Council's FPRs and follow up on previous audit actions.	Serving Council – ST197 (Red)	H	Audit Report	■		
Capital Programme	To review, in conjunction with capital accounting, the effectiveness of the new evaluating process in place and compliance with the Capital Strategy. <b>(Cross Cutting – P&amp;R (F) &amp; H&amp;A).</b>	Serving Council – ST197 (Red)	H	Audit Report	■	■	■
Write Offs	The audit will review the Council's approach to writing off debts in line with the Council's bad debt provision.	Serving Council – ST197 (Red)	M	Audit Report	■	■	■
Financial Management Accounting within Portfolios	Review to examine the financial management accounting arrangements in place to determine whether Chief Officers have complete oversight of their financial position.	Serving Council – ST197 (Red)	M	Audit Report	■	■	■
Main Accounting - Accounts Payable (AP) and P2P	Annual review to assess the effectiveness of internal controls within the Council's financial systems. More detailed review work may be carried out depending on the results of the control risk self-assessment.	Serving Council – ST197 (Red)	Annual	Audit Report	■	■	■
Main Accounting - Accounts Receivable (AR), including Corporate Debt Management	Annual review to assess the effectiveness of internal controls within the Council's financial systems. More detailed review work may be carried out depending on the results of the control risk self-assessment.	Serving Council – ST197 (Red)	Annual	Audit Report	■	■	■
Main Accounting - General Ledger (GL)	Annual review to assess the effectiveness of internal controls within the Council's financial systems.	Serving Council – ST197 (Red)	Annual	Audit Report	■	■	■
Method Statements	To provide advice and consultancy over the completion, accuracy and calculations within the method statements to support the MTFS. <b>(Cross</b>	Serving Council – ST197 (Red)	Advisory	Advisory Note	■		

Audit	Outline Scope	Council Plan & Strategic Risks	Priority	Expected Output	2019 /20	2020 /21	2021 /22
	<b>Cutting – P&amp;R(F) &amp; Corp)</b>						
Budget Planning Challenge	To provide advice and consultancy on the review of the budget planning challenge and the application process. <b>(Cross Cutting – P&amp;R(F) &amp; Corp)</b>	Serving Council – ST197 (Red)	Advisory	Advisory Note	■		
Petty Cash	Review the Council's management to petty cash, taking into account the viability of procurement cards.	Serving Council – ST197 (Red)	-	Audit Report		■	
Collaborative Planning	To review whether the objectives of using Collaborative Planning has been effective following its roll out.	Serving Council – ST197 (Red)	-	Advisory Note		■	
Insurance	Review compliance with the insurance strategy and assess the adequacy of controls in place.	Serving Council – ST197 (Red)	-	Audit Report		■	
Treasury Management	Examine the Council's approach to Treasury Management, including compliance with the Treasury Management policy.	Serving Council – ST197 (Red)	-	Audit Report		■	
Notification of Leaver to Clwyd Pension Fund	Review how effective the new i-Connect system is in notifying of all starters, leavers and changes to the Clwyd Pension Fund.		<b>H</b>	Audit Report	■		
Pay Deal 19/20	To undertake independent testing of the new 19/20 pay structure prior to implementation.	Serving Council	<b>H</b>	Advisory Note	■		
Project Apple	To review the effectiveness of manual processes in place to ensure the accuracy of data within iTrent.		<b>H</b>	Advisory Note	■		
Organisational Ethics and Values	To evaluate the design, implementation and effectiveness of the Council's ethics related objectives, programs & activities. <b>(Cross Cutting – P&amp;R (HR) &amp; Corp)</b>		<b>M</b>	Audit report	■		
Payroll	Annual review to assess the effectiveness of internal controls within the Council's financial systems.		Annual	Audit Report	■	■	■
Use of Agency, Relief and Self Employed Workers	The review will assess agency staff are appointed in compliance with Policy. The review will also ensure IR35 is managed effectively.		-	Audit Report		■	
People Strategy - Service Reform, Succession and WF Planning	Review the Council's approach to Service Reform, Succession and Workforce Planning.	Serving Council	-	Audit Report		■	
Supply Teachers (previously E-Teach)	Review the effectiveness and value for money of the current arrangements in place.		-	Audit Report		■	

Audit	Outline Scope	Council Plan & Strategic Risks	Priority	Expected Output	2019 /20	2020 /21	2021 /22
<b>Planning, Environment &amp; Economy</b>							
Communities4work (grant) & C4W Plus Grant	The controls around the introduction of this new initiative will be considered.		H	Audit Report	■		
Flood Alleviation Scheme	To review the Council's approach to Flood Alleviation; assess the effectiveness of procedures in place to monitor and manage the risk of flooding within the Authority.	Green Council – ST183 (Red)	H	Audit Report	■		
Pest Control	To provide advice to evaluate efficiency and effectiveness of service including charging mechanism and value for money.	Serving Council	H	Advisory Note	■		
Climate Change / Carbon Reduction	Review to evaluate current arrangements which support WG ambitions in relation to climate change; ensuring that policies and practices across Flintshire Local Authority are aligned to achieve strategic objectives.	Green Council	M	Audit Report	■		
Home Improvement Loans	Review the effectiveness and value for money of the current arrangements in place Home Improvement Loans offers.		M	Audit Report	■		
Community Safety Partnership	Review to examine current arrangements of Flintshire within the Public Service Board as a key forum to focus local public bodies on the agreed priorities of an area, including community safety.	Safe and Clean Council	-	Audit Report		■	
Affordable Housing	Review to evaluate current arrangements which support WG ambition to develop affordable housing; ensure that policies and practices seek to maximise the number of affordable houses delivered across Flintshire.	Supporting Council – ST152 (Amber)	-	Audit Report		■	
Replacement FLARE system	Review the effectiveness of the new FLARE system.		-	Audit Report		■	
Countryside Management (including Rights of Way)	Following the service review, examine the partnership arrangements in place, and the prioritisation of work and procurement of process.		-	Audit Report		■	
Houses to Homes	Review to evaluate effectiveness, impact and added value of the Houses to Homes loan scheme, and to provide accountability for the use of public funds.		-	Audit Report		■	

Audit	Outline Scope	Council Plan & Strategic Risks	Priority	Expected Output	2019 /20	2020 /21	2021 /22
Sustainable Urban Drainage System	Review to examine current arrangements which support WG legislation making sustainable drainage systems on new developments mandatory; including the role of the SUDS Approving Body (the local authority responsible) for the evaluation and approval of drainage applications for new developments and in certain circumstances for adopting and maintaining SUDS schemes.	Serving Council	-	Audit Report		■	
<b>Social Services</b>							
Flying Start - WG Funding	To assess whether Flying Start is being delivered in accordance with the grant specification and to examine processes in place to support the scheme.		H	Audit Report	■		
Foster Care (Payments to Carers)	Review the effectiveness of processes in place following the move to using Proactis. This review will also cover financial assessment.	Caring Council	H	Audit Report	■		
Sessional work	To review the staffing arrangements in place for sessional work for the supervision of parent contact to determine whether the arrangements provide value for money.	Caring Council	H	Audit Report	■		
Collaborative Work / Partnerships	Examine the partnership arrangements for the Adoption Service to ensure the Council is achieving value for money and to assess the effectiveness of the Flintshire's processes.		M	Audit Report	■		
Client Finance, (Deputyship) Receivership & including Community Living	Examine the new processes in place for the payments to clients.		M	Audit Report	■		
Extra Care Facility : Llys Eleanor	An establishment review of the policies, procedures and staffing arrangements in place at the home and to ensure a cost effective service is being delivered.	Caring Council	-	Audit Report		■	
First Contact (Assessment & Intervention)	Review to examine current arrangements in relation to First Contact including any recommendations made by Care in Wales.		-	Audit Report		■	
Safeguarding - Corporate (Cross Cutting)	Review the Council's continued approach to Corporate Safeguarding.	Supporting Council – ST166 (Green) & ST168 (Amber)	-	Audit Report		■	



Audit	Outline Scope	Council Plan & Strategic Risks	Priority	Expected Output	2019 /20	2020 /21	2021 /22
<b>Streetscene &amp; Transportation</b>							
Highways - Condition of infrastructure	Review the effectiveness of the process by which road condition, spend and the programme of roads maintenance is managed by the service to meet strategic and service objectives as well as meeting customer expectations.	Green Council – ST186, 189 (Amber)	<b>H</b>	Audit Report	■		
Concessionary Travel including Bus Services Support (grant)	Review the internal processes in place to effectively manage concessionary travel. The review will also assess the effectiveness of how the £6.7m Bus Services Support grant is administered by Flintshire across North Wales.	Green Council – ST187 (Amber)	<b>H</b>	Audit Report	■		
Parc Adfer	Transition by Flintshire to Parc Adfer. The review will examine the resilience and functionality of the dataflow.	Ambitious Council	<b>H</b>	Audit Report	■		
School Bus Passes	The review will examine the allocation of school bus passes, ensuring compliance with Council's Transport Policy. <b>(Cross cutting with S&amp;T and E&amp;Y)</b>	Learning Council	<b>H</b>	Audit Report	■		
Licence	To review processes and procedures in place to ensure the Council's exposure to the risk of losing its O Licence is minimised.		<b>M</b>	Audit Report	■		
Community Transport	Following the launch of Flintshire's Community Transport pilot, the review will examine how effective the pilot has been prior to further roll out.	Green Council – ST190 (Amber)	<b>M</b>	Audit Report	■		
Waste Management Service	In accordance with the Waste Strategy, review the processes and contracts in place for the treatment of waste at both Brookhill and Greenfield sites.	Green Council	<b>M</b>	Audit Report	■		
Winter Maintenance	Examine whether robust arrangements are in place to effectively and efficiently manage winter maintenance, including budget management arrangements of the services and recharging mechanisms in place.	Green Council	-	-		■	
Management / Maintenance Public Realm	Review the Council's approach to managing the Public Realm, including contract arrangements in place to deliver this service.		-	-		■	
Integrated Transport Unit	Follow up review to assess the implementation of the actions from the 2018/19 audit.	Ambitious Council	-	-		■	

Audit	Outline Scope	Council Plan & Strategic Risks	Priority	Expected Output	2019 /20	2020 /21	2021 /22
Regional Transport	VFM review of the service considering the impact service delivery has on Flintshire, management of the grant subsidy claim and cost analysis of service delivery against income generation.	Ambitious Council	-	-		■	
<b>External</b>							
North Wales Residual Waste Project - Contract Management	As Lead Authority provide assurance to the NWRWP Committee over the effectiveness of the contract management arrangements in place.	Green Council	H	Audit Report	■	■	■
Pensions Administration & Contributions	Review the effectiveness of the administration strategy including service standards with members and employers.		H	Audit Report	■		
SLA - Aura - 20 days	Through the SLA with Aura, provide 20 days auditable service.	Connected Council / ST196	Annual	Audit Report	■	■	■
SLA - NEWydd - 10 days	Through the SLA with NEWydd, provide 10 days auditable service.	Connected Council / ST196	Annual	Audit Report	■	■	■
Pensions Investment, Management & Accounting	To assess the management of the funding strategy and compliance with regulations and procedures.		-			■	
Clwyd Theatre Cymru	To provide advice as part of the transition to an Alternative Delivery Model (ADM).	Ambitious Council	-			■	
<b>Advisory / Project Groups</b>							
New Flare System Development Group	To provide advice to the system development of the new FLARE system.		Ongoing	Advice	■		
Corporate Governance Working Group	As part of the group, undertake a self-assessment against CIPFA / SOLACE 'Delivering Good Governance, Wales'.		Ongoing	Advice	■	■	■
Accounts Governance Group	Continuing participation in the Account Governance Group and contribute to the development of the Annual Governance Statement.		Ongoing	Advice	■	■	■
Council's Constitution	Internal Audits' contribution to the revision of policies and procedures within the Council's Constitution.		Ongoing	Advice		■	
Financial Procedures Rules	Internal Audits' contribution to the revision of policies and procedures within the Council's Financial Procedural Rules.		Ongoing	Advice	■		■

Audit	Outline Scope	Council Plan & Strategic Risks	Priority	Expected Output	2019 /20	2020 /21	2021 /22
E Procurement Working Group	Continuing participation at the E Procurement Working Group.		Ongoing	Advice	■	■	■
Programme Coordinating Group	Continuing participation in the Programme Coordinating Group.		Ongoing	Advice	■	■	■
Corporate Health & Safety Group	To Chair the Corporate Health and Safety Group.		Ongoing	Advice	■	■	■
Corporate Data Protection Group	Continuing participation at the Corporate Data Protection Group.		Ongoing	Advice	■	■	■
County Hall Campus / Relocation/ Working Group	Continuing participation to the relocation to Unity House and decommissioning of County Hall Campus working group.		Ongoing	Advice	■		
North Wales Residual Waste Project	Ongoing advisory work as lead authority.		Ongoing	Advice	■		
Financial System	Provide Internal Audit advice and support over the options appraisal of a new financial system to replace Masterpiece.		Ongoing	Advice	■	■	
<b>Anti-Fraud and Corruption</b>							
Investigation of Fraud and Irregularities					■	■	■
National Fraud Initiative (NFI)					■	■	■
Review and Update the Counter Fraud Policies and Plans					■	■	■
Develop On-line Fraud Reporting Solution					■	■	■
Fraud Risk Awareness					■	■	■
<b>Audit Developments</b>							
Continue to develop the use of Computer Assisted Audit Tools and Techniques					■	■	■
Continue to develop and refine the use of Control Risk Self-Assessments					■	■	■
Develop the use of Root Cause Analysis					■	■	■

Where possible, audits within the plan have been linked to the themes within the Council's Plan for 2018/2023 and the draft Council Plan for 2019/2024. During the year, consideration will be given as to how the auditable areas reviewed are working towards and meeting the requirements of the Future Generations Wellbeing Act 2016 and the Generation Data Protection Rules, May 2018 (GDPR).

6.2 Types Audit Coverage

The following types of audit work will be completed to support the audit coverage above:

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Type of Audit	Explanation of Audit
Risk Based Audit:	This work is based on the strategic or operational risks. The audits examine the objectives of the area under consideration, the risks that may affect the achievement of those objectives and the adequacy and effectiveness of the controls around those risks.
System Based Audit:	Predominantly of key financial systems to give assurance that they are operating effectively. Key control reviews will be carried out of all core financial systems with continuing close liaison with our external auditors to maximise audit efficiency.
Follow Up Audit:	Specific follow up audits have been planned where there have been a number of recommendations made in previous reviews.
Advisory Work:	Audit time to take part in specific projects or developments, as already requested/agreed with management.
Value For Money:	Value for money is considered as part of each audit review. In addition, there are a few specific reviews in the plan where that is the focus of the audit.
Schools:	We will continue to use Control and Risk Self-Assessment for all schools. This is designed to increase the level of assurance we can provide about the standards in schools, whilst at the same time minimising audit time in the schools by eliminating the need for traditional school audit visits. We will continue to complete school based reviews on risks identified from the self-assessment sample of schools will be visited to assess the identified risks.
Grant Claims:	As in previous years, time has been assigned to carry out reviews of grant claims.
Counter Fraud:	We will continue to conduct investigations in fraud and irregularity during the year. In addition we will continue to participate in the National Fraud Initiative. This matches data across organisations and systems to help identify potentially fraudulent or erroneous claims and transactions. The amount of time allocated, 200 days, is based on experience in previous years, but there is no guarantee that it is accurate. If further resource is needed it may impact on the plan. Conversely, if this amount is not required then it will be allocated to other specific audit tasks.

# Eitem ar gyfer y Rhaglen 9



## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 27 March 2019
<b>Report Subject</b>	Public Sector Internal Audit Standards
<b>Report Author</b>	Internal Audit Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

Internal Audit must conform to the Public Sector Internal Audit Standards (PSIAS). There must be an assessment every year which must be reported to Audit Committee. These assessments are normally carried out internally as self-assessments, but there must be an external assessment every five years.

Internal assessment has been carried out every year since the standards were introduced. The external assessment was last undertaken in March 2017. In order to minimise costs, the Chief Auditors within the Wales Chief Auditors Group, for 18 Councils in Wales, have agreed to undertake a peer review, each one reviewing the other Council. The Chief Internal Auditor from Ceredigion reviewed Flintshire. A new programme for external assessment is currently being developed.

This report shows the results of the current internal self-assessment, the progress against actions arising from last years' assessment, and further actions being undertaken on an ongoing basis to maintain compliance with the components of the standards and improve the operation of the service. This is reflected in Appendices A to C.

### RECOMMENDATIONS

1	The Committee is requested to note the report.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT</b>
1.01	In December 2012 the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA)

	published new Public Sector Internal Audit Standards (PSIAS) for internal audit across the public sector. The Standards apply to Central Government departments including Scotland, Wales and Northern Ireland, Local Authorities across the UK, the NHS, Police and Fire Authorities, and National Parks. These Standards replaced the CIPFA Code of Practice for Internal Audit in Local Government published in 2006. The standards are based on the CIIA standards and came into force on 1 <sup>st</sup> April 2013 and updated in 2016 and 2017.
1.02	PSIAS includes the Definition of Internal Audit, a Code of Ethics, four Attribute Standards and seven Performance Standards, leading to the overall level of conformance. Internal Audit departments should achieve General Conformance (definition given in Appendix A) overall with the PSIAS.
1.03	There is a requirement within the PSIAS for a Quality Assurance and Improvement Programme (QAIP). The requirement is for the Internal Audit Manager to develop and maintain a QAIP to enable the audit activity to be assessed against the PSIAS. External assessments should be carried out at least once every five years, with annual internal assessment. Flintshire's external assessment was last undertaken in March 2017.
1.04	Internal assessments must include: <ul style="list-style-type: none"> <li>• Ongoing monitoring of the performance of the internal audit activity; and</li> <li>• Periodic self-assessment, or assessment by other persons within the organisation with sufficient knowledge of internal audit practices.</li> </ul>
1.05	Internal Audit departments must report their level of conformance with the PSIAS to the Audit Committee. It should then be reported in the Internal Audit Annual Report.
1.06	Based on the outcome of both the internal self-assessment for 2018/19 and the external assessment in 2016/17, overall Flintshire Internal Audit Service generally conforms to the PSIAS. The external assessor stated that 'Flintshire County Council complies with the standards in all significant areas and operates independently and objectively'.
1.07	Whilst overall Flintshire Internal Audit generally conforms to the PSIAS the external assessment identified there were some elements with partial conformance, one non-conformance and suggestions made. These actions have either been implemented, in progress or are deemed to be ongoing. All actions from both the external assessment and self-assessment, showing progress to date is shown within the Quality Assurance Improvement Plan (QAIP), Appendix B.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Internal Audit is part of the governance framework for the Council. It is important that it meets the required operational standards to give assurance to the Council that it is functioning properly. This paper shows the results of the assessment of the department against those standards.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Checklist for compliance with PSIAS Appendix B – QAIP Actions Appendix C – QAIP Components

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.  <b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager <b>Telephone:</b> 01352 702231 <b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	None.

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**CHECKLIST FOR ASSESSING CONFORMANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS AND THE LOCAL GOVERNMENT APPLICATION NOTE (LGAN)**

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Glossary	
<b>GC</b>	<b>Generally Conforms with PSIAS</b> - The relevant structures, policies and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section / category. General conformance does not require complete / perfect conformance, the ideal situation, successful practice, etc.
<b>PC</b>	<b>Partially Conforms with PSIAS</b> - The activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and / or achieving their objectives.
<b>DNC</b>	<b>Does Not Conform with PSIAS</b> - The activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many / all of the objectives of the individual Standard or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board.
<b>N/A</b>	<b>Not Applicable</b> - The sections marked N/A do not apply to this assessment, i.e. there has not yet been an external assessment, the use of 'conforms with International Standards' or disclosure of non-conformance can only be used after this assessment, there are no external providers of audit services.
<b>CAE</b>	<b>Chief Audit Executive</b> - A generic title used to describe the person responsible for managing the internal audit activity. In Flintshire, it is the Internal Audit Manager

	SUMMARY OF RESULTS	GC	PC	DNC
	Definition of Internal Auditing	✓		
	Code of Ethics	✓		
	Attribute Standards	✓		
<b>Ref</b>				
1000	Purpose, Authority and Responsibility	✓		
1010	Recognition of the Definition of Internal Auditing, the Code of Ethics, and the Standards in the Internal Audit Charter	✓		
1100	Independence and Objectivity (The sum of <i>Standards</i> 1100-1130)	✓		
1110	Organisational Independence	✓		
1111	Direct Interaction with the Board	✓		
1120	Individual Objectivity	✓		
1130	Impairments to Independence or Objectivity	✓		
1200	Proficiency and Due Professional Care (The sum of <i>Standards</i> 1210-1230)	✓		
1210	Proficiency	✓		
1220	Due Professional Care	✓		
1230	Continuing Professional Development	✓		
1300	Quality Assurance and Improvement Programme (The sum of <i>Standards</i> 1310-1320)	✓		
1310	Requirements of the Quality Assurance and Improvement Programme	✓		
1311	Internal Assessments	✓		
1312	External Assessments	✓		
1320	Reporting on the Quality Assurance and Improvement Programme	✓		
1321	Use of Conforms with the International Standards for the Professional Practice of Internal Auditing	✓		

	SUMMARY OF RESULTS	GC	PC	DNC
1322	Disclosure of Non-conformance	✓		
2000	Managing the Internal Audit Activity (Sum total of <i>Standards</i> 2010 – 2060)	✓		
2010	Planning	✓		
2020	Communication and Approval	✓		
2030	Resource Management	✓		
2040	Policies and Procedures	✓		
2050	Coordination	✓		
2060	Reporting to Senior Management and the Board	✓		
2070	External service Provider and Organisational Responsibility for Internal Audit	N/A	N/A	N/A
2100	Nature of Work (Sum of <i>Standards</i> 2110 – 2130)	✓		
2110	Governance	✓		
2120	Risk Management	✓		
2130	Control	✓		
2200	Engagement Planning (Sum of <i>Standards</i> 2201-2240)	✓		
2201	Planning Considerations	✓		
2210	Engagement Objectives	✓		
2220	Engagement Scope	✓		
2230	Engagement Resource Allocation	✓		
2240	Engagement Work Programme	✓		
2300	Performing the Engagement (The sum of <i>Standards</i> 2300-2340)	✓		
2310	Identifying Information	✓		
2320	Analysis and Evaluation	✓		

	<b>SUMMARY OF RESULTS</b>	<b>GC</b>	<b>PC</b>	<b>DNC</b>
2240	Engagement Work Programme	✓		
2300	Performing the Engagement (The sum of <i>Standards</i> 2300-2340)	✓		
2310	Identifying Information	✓		
2320	Analysis and Evaluation	✓		
2330	Documenting Information	✓		
2340	Engagement Supervision	✓		
2400	Communicating Results (Sum of <i>Standards</i> 2410-2440)	✓		
2410	Criteria for Communicating	✓		
2420	Quality of Communications	✓		
2421	Errors and Omissions	✓		
2430	Use of 'conducted in conformance with the International Standards for the Professional Practice of Internal Auditing'.	✓		
2431	Engagement Disclosure of Non-Conformance	N/A	N/A	N/A
2440	Disseminating Results	✓		
2450	Overall Opinions	✓		
2500	Monitoring Progress	✓		
2600	Resolution of Senior Management s Acceptance of Risks	✓		
	<b>OVERALL CONCLUSION – CONFORMANCE WITH PSIAS</b>	✓		

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
<b>1</b>	<b>Definition of Internal Auditing</b>				
	Using evidence gained from assessing conformance with other Standards, is the internal audit activity: a) Independent? b) Objective?	✓ ✓			See answers below. Charter updated during 2018/19 to reflect the actions within the QAIP.
	Using evidence gained from assessing conformance with other Standards, does the internal audit activity use a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation?	✓			See answers below. Prioritisation of work through risk based approach and action tracking.
	<b>Definition of Internal Audit Conclusion</b>	✓			
<b>2</b>	<b>Code of Ethics</b>				
	<b>Integrity</b> Using evidence gained from assessing conformance with other Standards, do internal auditors: a) Perform their work with honesty, diligence and responsibility? b) Observe the law and make disclosures expected by the law and the profession? c) Not knowingly partake in any illegal activity nor engage in acts that are discreditable to the profession of internal auditing or to the organisation? d) Respect and contribute to the legitimate and ethical objectives of the organisation?	✓ ✓ ✓ ✓			See answers below.  As professional officers, each internal auditor is expected to perform their duties in accordance with the CIIA's code of ethics, as well as Flintshire County Council code of conduct.  The CIIAs code of Ethics has been adopted for all and included within the Audit Manual and Charter. Anyone delivering internal audit work for FCC must comply with the PSIAS Code of Ethics.
	<b>Objectivity</b> Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by not: a) Taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment?	✓			See answers below.  All members of the team complete an annual declaration of interest (Independence Certificate) (last updated February 2018)

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	b) Accepting anything that may impair or be presumed to impair their professional judgement? c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?	✓ ✓			compliance with Flintshire County Council's Code of Conduct. In addition to this, the service is also part of a Corporate pilot for monitoring declarations of interests and any gifts and hospitality received. This was last updated in June 2018.
	<b>Confidentiality</b> Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by: a) Acting prudently when using information acquired in the course of their duties and protecting that information? b) Not using information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation?	✓ ✓			See answers below.  All work is undertaken in a confidential manner. All documentation is held securely with retention policies in place. Laptops are all encrypted. The IA door has a secure key pad and swipe access.  As professional officers, each internal auditor is expected to perform their duties in accordance with the adopted CIIA's Code of Ethics. The Code of Ethics is included within the Audit Manual and Audit Charter.
	<b>Competency</b> Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by: a) Only carrying out services for which they have the necessary knowledge, skills and experience? b) Performing services in accordance with the PSIAS? c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?	✓ ✓ ✓			See answers below.  Regular training in services to be audited. Expertise developed over time in complex areas and assigned to those areas. Training plans based on appraisals, now competency based. Development plan compiled from latest appraisals and training provided.  Qualified Certified Internal Auditors also have to undertake mandatory 30 hours CPE per year.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Do internal auditors have regard to the Standards in Public Life's – The Seven Principles of Public Life?	✓			<p>As stated within the Audit Manual: Internal auditors who work in the public sector must have regard to the Committee on Standards of Public Life's Seven Principles of Public Life:</p> <ul style="list-style-type: none"> <li>• Selflessness;</li> <li>• Integrity;</li> <li>• Objectivity;</li> <li>• Accountability;</li> <li>• Openness;</li> <li>• Honesty; and</li> <li>• Leadership.</li> </ul> <p>Anyone delivering internal audit work for FCC must comply with the PSIAS Code of Ethics. This includes being aware and flagging any potential conflicts of interest, including friends or family who may be employed by FCC.</p>
	<b>Code of Ethics Conclusion</b>	✓			
	Standards				
<b>3</b>	<b>Attribute Standards</b>				
<b>3.1</b>	<b>1000 Purpose, Authority and Responsibility</b>				
	Does the internal audit charter include a formal definition of: a) the purpose b) the authority, and c) the responsibility of the internal audit activity consistent with the Public Sector Internal Audit Standards (PSIAS)?	✓ ✓ ✓			The Internal Audit Charter includes the responsibilities, independence, role and rights of access. It is part of the Constitution. These are also included in the Council's Financial Regulations.
<b>LGAN</b>	Does the internal audit charter define the terms 'board' and 'senior	✓			Sets out each of the functions of the board and

# Flintshire Internal Audit

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Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	management', for the purposes of the internal audit activity? Note that it is expected that the audit committee will fulfil the role of the board in the majority of instances.				where it lies. The Charter is currently being updated to define the term 'senior manager' and includes reference to auditing third parties (Aura and NEWydd), addressing the QAIP action. The revised Charter will be presented to Audit Committee for approval in June 2019.
<b>LGAN</b>	Does the internal audit charter also: a) Set out the internal audit activity's position within the organisation?	✓			a/b) The Charter includes sections on the Role and Scope of IA, Independence and Authority, Audit Responsibility, Resources, Training, Reporting and Performance Reporting.
<b>LGAN</b>	b) Establish the CAE's functional reporting relationship with the board?	✓			It includes the reporting relationships of the Internal Audit Manager to statutory officers and the Audit Committee.
<b>LGAN</b>	c) Establish the accountability, reporting line and relationship between the CAE and those to whom the CAE may report administratively?	✓			Unrestricted access to all activities, functions, records and property.
<b>LGAN</b>	d) Establish the responsibility of the board and also the role of the statutory officers (such as the CFO, the monitoring officer and the head of paid service) with regards to internal audit?	✓			The right to require information from officers.
<b>LGAN</b>	e) Establish internal audit's right of access to all records, assets, personnel and premises and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities?	✓			The contribution is in place through all audit work and the Internal Manager's being a member of the Corporate Governance Working Group.
<b>LGAN</b>	f) Define the scope of internal audit activities?	✓			
<b>LGAN</b>	g) Recognise that internal audit's remit extends to the entire control environment of the organisation?	✓			
<b>LGAN</b>	h) Identify internal audit's contribution to the review of effectiveness of the control environment, as set out in the Accounts and Audit (England) Regulations 2011?	✓			
<b>LGAN</b>	i) Establish the organisational independence of internal audit?	✓			
<b>LGAN</b>	j) Cover the arrangements for appropriate resourcing?	✓			Responsible for investigating potential fraud and irregularity.
<b>LGAN</b>	k) Define the role of internal audit in any fraud-related work?	✓			
<b>LGAN</b>	l) Set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?	✓			
<b>LGAN</b>	m) Include arrangements for avoiding conflicts of interest if internal	✓			



Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	audit undertakes non-audit activities? n) Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation? o) Define the nature of consulting services? p) Recognise the mandatory nature of the PSIAS?	 ✓ ✓	 ✓		The Audit Charter is currently being updated to include the new work with Aura / NEWydd. The revised Audit Charter will be presented to Audit Committee in June 2019.  PSIAS recognised within the scope.
	Does the chief audit executive (CAE) periodically review the internal audit charter and present it to senior management and the board for approval?	✓			The Charter is currently being updated (Feb 2019). It will be presented to Audit Committee in June 2019 for approval and subsequently and Council.
	Does the CAE attend audit committee meetings?	✓			Attendance at all meetings.
	Does the CAE contribute to audit committee agendas?	✓			Produces the Forward Work Programme and Actions Carried Forward. Both of which form the basis of the agenda.
	<b>1000 Conclusion</b>	✓			
<b>3.2</b>	<b>1100 Independence and Objectivity</b>				
	Does the CAE have direct and unrestricted access to senior management and the board?	✓			The Internal Audit Manager reports functionally to the Audit Committee and Administratively to the Chief Officer Governance. Bi-monthly meeting are held with the Chief Executive and quarterly with Chief Officers.  She can contact the s151 Officer, any Chief Officer or the Chief Officer Team as a whole at any time, and also can contact the Audit Committee at any time.
	Does the CAE have free and unfettered access to, as well as communicate effectively with, the chief executive or equivalent and the chair of the audit committee?	✓			The Internal Audit Manager can contact Chief Executive and Chair of Audit at any time.
	Are threats to objectivity identified and managed at the following				Auditors identify any conflict and report them

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	levels: a) Individual auditor? b) Engagement? c) Functional? d) Organisation?	✓ ✓ ✓ ✓			to audit management.  All other levels included in the Charter and Constitution.
	<b>1100 Conclusion</b>	✓			
	<i>1110 organisational Independence</i>				
	Does the CAE report to an organisational level equal or higher than the corporate management team?	✓			See above – Internal Audit Manager reports to the Chief Officer Governance.
<b>LGAN</b>	Does the CAE report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities?	✓			See above - Internal Audit Manager reports to the Chief Officer Governance.
<b>LGAN</b>	Have reporting and management arrangements been put in place that preserve the CAE's independence and objectivity? This is of particular importance when the CAE is line managed by another officer of the authority.	✓			See above - Internal Audit Manager reports to the Chief Officer Governance and the Audit Committee and can contact the Chief Executive at any time.
<b>LGAN</b>	Does the CAE's position in the management structure: a) Reflect the influence he or she has on the control environment? b) Provide the CAE with sufficient status to ensure that audit plans, reports and action plans are discussed effectively with the board? c) Ensure that he or she is sufficiently senior and independent to be able to provide credibly constructive challenge to senior management?	✓ ✓ ✓			Internal Audit Manager is a member of the Governance Management Team. Audit plans are agreed with COT and Audit Committee. Audit Reports, including action plans, are issued to the relevant Chief Officer.
	Does the CAE confirm to the board, at least annually, that the internal audit activity is organisationally independent? The following examples can be used by the CAE when assessing the organisational independence of the internal audit activity: The board: a) approves the internal audit charter	✓  ✓			Within the Annual Report. Also in annual meeting with the AC.  Audit Committee.

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Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	b) approves the risk-based audit plan	✓			Chief Officer Team and Audit Committee.
	c) approves the internal audit budget and resource plan	✓			
	d) receives communications from the CAE on the activity's performance (in relation to the plan, for example)	✓			Chief Officer Governance. Audit Committee.
	e) approves decisions relating to the appointment and removal of the CAE	✓			Chief Officer Governance / Chief Executive / Chair of Audit Committee.
	f) seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.	✓			Audit Committee.
	Does the chief executive or equivalent undertake, Countersign, contribute feedback to or review the performance appraisal of the CAE?	✓			The Chief Officer, Governance, seeks feedback from the Chief Executive prior to the appraisal of the Internal Audit Manager. Due April 2019.
	Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?		✓		The current procedure has been deemed sufficient given the Chief Officer Governance and the Chief Executive attend each Audit Committee meeting. Direct contact is also in place between the Internal Audit Manager with the Chief Officer, Governance, the Chief Executive and the Chair and Vice Chair of the Audit Committee. Any performance issues would be addressed immediately rather than wait for a formal appraisal.
	<b>1110 Conclusion</b>	✓			
	<i>1111 Direct Interaction with the Board</i>				
	Does the CAE communicate and interact directly with the board?	✓			Reports to each Audit Committee meeting. Private meeting takes place annually. If necessary, Internal Audit Manager can meet with the Committee or Chair at any time.
	<b>1111 Conclusion</b>	✓			

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Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	<i>1120 Individual Objectivity</i>				
	Do internal auditors have an impartial, unbiased attitude?	✓			
	Do internal auditors avoid any conflict of interest, whether apparent or actual?	✓			Auditors complete annual declaration (Auditor Independence Certificate February 2018) of interests. Auditors report any potential conflict to audit management. Also considered during the allocation of work to auditors. No members of the team have recently worked in other areas of the Authority.
	<b>1120 Conclusion</b>	✓			
	<i>1130 Impairment to Independence or Objectivity</i>				
	If there has been any real or apparent impairment of independence or objectivity, has this been disclosed to appropriate parties (depending on the nature of the impairment and the relationship between the CAE and senior management/the board as set out in the internal audit charter)?	N/A	N/A	N/A	N/A. None has arisen.
	Have internal auditors assessed specific operations for which they have been responsible within the previous year?	✓			No members of the team have recently worked in other areas of the Authority.
	If there have been any assurance engagements in areas over which the CAE also has operational responsibility, have these engagements been overseen by someone outside of the internal audit activity?	N/A	N/A	N/A	N/A. Internal Audit Manager does not have any other operational responsibility.
<b>LGAN</b>	Are assignments for ongoing assurance engagements and other audit responsibilities rotated periodically within the internal audit team?	✓			The team is large enough to allow this. However this would limit specialist development and increase audit time.
<b>LGAN</b>	Have internal auditors declared interests in accordance with organisational requirements?	✓			Auditors sign declarations of interest forms annually (June 2018).
<b>LGAN</b>	Where any internal auditor has accepted any gifts, hospitality, inducements or other benefits from employees, clients, suppliers or other third parties (other than as may be allowed by the organisation's own policies), has this been declared and investigated	N/A	N/A	N/A	N/A. None accepted. If this happened, they would be reported to the Internal Audit Manager via the new gifts and hospitality declaration form.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	fully?				
<b>LGAN</b>	Have any instances been discovered where an internal auditor has used information obtained during the course of duties for personal gain?	✓			No. This has not happened.
<b>LGAN</b>	Have internal auditors disclosed all material facts known to them which, if not disclosed, could distort their reports or conceal unlawful practice, subject to any confidentiality agreements?	✓			Auditors sign declaration of interest forms annually and report any conflicts of interest if they arise.
<b>LGAN</b>	Have internal auditors complied with the Bribery Act 2010?	✓			See above.
	If there has been any real or apparent impairment of independence or objectivity relating to a proposed consulting services engagement, was this disclosed to the engagement client before the engagement was accepted?	N/A	N/A	N/A	N/A. None has arisen.
	Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the board before the engagement was accepted?	N/A	N/A	N/A	N/A. Plan allows time for consulting work.
	<b>1130 Conclusion</b>	✓			
<b>3.3</b>	<b>1200 Proficiency and Due Professional Care</b>				
	<i>1210 Proficiency</i>				
	Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	✓			CIIA
	Is the CAE suitably experienced?	✓			Internal Audit Manager has worked within Internal Audit since 1992, Management positions since 2012 with Flintshire County Council. Interim Internal Audit Manager since October 2016 and Internal Audit Manager since July 2017.
<b>LGAN</b>	Is the CAE responsible for recruiting appropriate internal audit staff, in accordance with the organisation's human resources processes?	✓			Internal Audit Manager fully responsible for recruitment.

# Flintshire Internal Audit

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Ref	Conformance with the Standard	GC	PC	DNC	Evidence
<b>LGAN</b>	Does the CAE ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes?	✓			Job descriptions (JD) and person specifications (PS) redefined as part of Finance Function Review, 2012. The JD and SP for the Principal Auditor was reviewed as part of the recruitment process in January 2018.
	Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	✓			Auditor competencies assessed. Annual competency based appraisals carried out. Next due June 2019.
	Where the internal audit activity does not possess the skills, knowledge and other competencies required to perform its responsibilities, does the CAE obtain competent advice and assistance?	✓			If necessary can buy in expertise, e.g. IT audit
	Do internal auditors have sufficient knowledge to evaluate the risk of fraud and anti-fraud arrangements in the organisation?	✓			Internal Audit Manager, Principal Auditors and some Senior Auditors keep up to date on fraud requirements and attend training days. External Fraud training attended Dec 2018.
	Do internal auditors have sufficient knowledge of key information technology risks and controls?	✓			Principal Auditors and some Senior Auditors specialise in IT work. The Internal Audit Manager is a qualified IT Auditor.
	Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are available to them to perform their work, including data analysis techniques?	✓			Members of the team keep up to date on Computer Assisted Audit Techniques.
	<b>1210 Conclusion</b>	✓			
	<i>1220 Due Professional Care</i>				
	Do internal auditors exercise due professional care by considering the: a) Extent of work needed to achieve the engagement's objectives? b) Relative complexity, materiality or significance of matters to which assurance procedures are applied? c) Adequacy and effectiveness of governance, risk management and control processes?	✓ ✓ ✓			a) Overall consideration for the organisation takes place as part of the annual planning cycle. b) Analysis of these factors takes place in the planning stage of every assignment. CAATs used where appropriate. c) Specific fraud questions are asked of all

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	d) Probability of significant errors, fraud, or non-compliance? e) Cost of assurance in relation to potential benefits?	✓ ✓			service managers for each audit to determine the extent of fraud awareness. d) Specific GDPR questions are used for each audit to determine the extent of Data Protection awareness. e) Yes.
	Do internal auditors exercise due professional care during a consulting engagement by considering the: a) Needs and expectations of clients, including the nature, timing and communication of engagement results? b) Relative complexity and extent of work needed to achieve the engagement's objectives? c) Cost of the consulting engagement in relation to potential benefits?	✓ ✓ ✓			Yes. Considered during the planning of any consultancy work by Senior Auditors and Principal Auditors.
	<b>1220 Conclusion</b>	✓			
	<i>1230 Continuing Professional Development</i>				
<b>LGAN</b>	Has the CAE defined the skills and competencies for each level of auditor?	✓			Defined in the person specification for each position.
<b>LGAN</b>	Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	✓			Annual competency based appraisal process.
	Do internal auditors undertake a programme of continuing professional development?	✓			Each auditor is responsible for identifying their own CPD to meet the requirements of their professional body.
	Do internal auditors maintain a record of their professional development and training activities?	✓			Training log maintained by the department. However, each auditor is responsible for identifying their own CPD to meet the requirements of their professional body.
	<b>1230 Conclusion</b>	✓			
<b>3.4</b>	<b>1300 Quality Assurance and Improvement Programme</b>				

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Has the CAE developed a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?	✓			QAIP in place based on overall requirements and results of last year's internal assessment.
	Does the QAIP assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement?	✓			Yes.
	Does the CAE maintain the QAIP?	✓			Yes.
<b>LGAN</b>	If the organisation is a 'larger relevant body' in England, does it conduct a review of the effectiveness of its internal audit at least annually, in accordance with the Accounts and Audit (England) Regulations 2011 section 6(3)?	✓			Now also a requirement in Wales. This review meets the requirement.
	<b>1300 Conclusion</b>	✓			
	<i>1310 Requirements of the Quality Assurance and Improvement Programme</i>				
	Does the QAIP include both internal and external assessments?	✓			Internal assessments completed each year. The last external assessment was completed in March 2017. The next programme of external assessment is currently being devised.
	<b>1310 Conclusion</b>	✓			
	<i>1311 Internal Assessments</i>				
<b>LGAN</b>	Does the CAE ensure that audit work is allocated to staff with the appropriate skills, experience and competence?	✓			Part of the planning process annually and for individual assignments. Personal development and consider rotation.
	Do internal assessments include ongoing monitoring of the internal audit activity such as: a) Routine quality monitoring processes? b) Periodic assessments for evaluating conformance with the PSIAS?	✓ ✓			All work is subject to quality review by Principal Auditors. Annual internal assessments during the appraisal process.



Ref	Conformance with the Standard	GC	PC	DNC	Evidence
<b>LGAN</b>	Does ongoing performance monitoring include comprehensive performance targets?	✓			There are performance targets for the department and each staff member.
<b>LGAN</b>	Are the performance targets developed in consultation with appropriate parties and included in any service level agreement?	✓			Departmental targets agreed with Audit Committee. Detailed within the Strategic Plan. Individual targets agreed during annual appraisals. Benchmarking of the service is carried out with the Welsh Chief Auditors Group
<b>LGAN</b>	Does the CAE measure, monitor and report on progress against these targets?	✓			Progress against departmental targets reported to Audit Committee quarterly and as part of the appraisal process.
<b>LGAN</b>	Does ongoing performance monitoring include obtaining stakeholder feedback?	✓			Feedback questionnaires issued on completion of every assignment. Results are positive. Client questionnaires now form part of the audit management system
	Are the periodic self-assessments or assessments carried out by people external to the internal audit activity undertaken by those with a sufficient knowledge of internal audit practices? Sufficiency would require knowledge of the PSIAS and the wider guidance available such as the Local Government Application Note and/or IIA practice advisories, etc.	✓			Self Assessments have been carried out against these Standards by the Internal Audit Manager and Principal Auditors.
<b>LGAN</b>	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	✓			Yes
	<b>1311 Conclusion</b>	✓			
	<i>1312 External Assessments</i>				
	Has an external assessment been carried out, or is planned to be carried out, at least once every five years?	✓			The last external assessment was completed in March 2017. The next programme of external assessment is currently being devised.
<b>LGAN</b>	Has the CAE considered the pros and cons for the different types of external assessment (i.e. 'full' or self-assessment plus 'independent	✓			Yes. Self-assessment plus independent validation completed. Organised via the Wales

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	validation')?				Chief Auditors Group. The last external assessment was performed by the Head of Internal Audit Ceredigion.
	Has the CAE discussed the proposed form of the external assessment and the qualifications and independence of the assessor or assessment team with the board?	✓			See above.
<b>LGAN</b>	Has the CAE agreed the scope of the external assessment with an appropriate sponsor, such as the chair of the audit committee, the CEO or the chief executive?	✓			As determined by the Standard.
	Has the CAE agreed the scope of the external assessment with the external assessor or assessment team?	✓			As determined by the Standard.
	Has the assessor or assessment team demonstrated its competence in both areas of professional practice of internal auditing and the external assessment process? Competence can be determined in the following ways: a) experience gained in organisations of similar size b) complexity c) sector (i.e. the public sector) d) industry (i.e. local government), and e) technical experience. Note that if an assessment team is used, competence needs to be demonstrated across the team and not for each individual member.	✓			As determined by the Standard.
	How has the CAE used his or her professional judgement to decide whether the assessor or assessment team demonstrates sufficient competence to carry out the external assessment?	✓			Agreed by the Wales Chief Internal Auditors Group and ratified by Flintshire's Audit Committee. The last external assessment was undertaken by the Head of Internal Audit - Ceredigion.
	Does the assessor or assessment team have any real or apparent conflicts of interest with the organisation? This may include, but is not limited to, being a part of or under the control of the organisation to	✓			No. Completed by the Head of Internal Audit for Ceredigion.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	which the internal audit activity belongs.				
	<b>1312 Conclusion</b>	✓			N/A
	<i>1320 Reporting on the Quality Assurance and Improvement Programme</i>				
	Has the CAE reported the results of the QAIP to senior management and the board? Note that: a) the results of both external and periodic internal assessment must be communicated upon completion b) the results of ongoing monitoring must be communicated at least annually c) the results must include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS.	✓			Annually. This report for 2018/19. Progress against action plan also reported.
	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	✓			Included in the report to this meeting and Annual Report.
	<b>1320 Conclusion</b>	✓			
	<i>1321 Use of 'Conforms with the International Standards for the Professional Practice of Internal Auditing'</i>				
	Has the CAE stated that the internal audit activity conforms with the PSIAS only if the results of the QAIP support this?	✓			Stated in each audit report (Front cover)
	<b>1321 Conclusion</b>	✓			
	<i>1322 Disclosure of Non-conformance</i>				
	Has the CAE reported any instances of non-conformance with the PSIAS to the board?	✓			N/A. This report shows conformance.
	Has the CAE considered including any significant deviations from the PSIAS in the governance statement and has this been evidenced?	✓			Would do if relevant.
	<b>1322 Conclusion</b>	✓			

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
<b>4</b>	<b>Performance Standards</b>				
<b>4.1</b>	<b>2000 Managing the Internal Audit Activity</b>				
	Do the results of the internal audit activity's work achieve the purposes and responsibility of the activity, as set out in the internal audit charter?	✓			Through the audit plan, as reported in the annual report.
	Does the internal audit activity conform with the <i>Definition of Internal Auditing</i> and the <i>Standards</i>	✓			Yes. Through the Charter and the audit manual.
	Do individual internal auditors, who are part of the internal audit activity, demonstrate conformance with the <i>Code of Ethics</i> and the <i>Standards</i> ?	✓			Yes. Through the audit manual. All work subject to review. All Auditors complete an Annual Independence Certificate to declare any Interests.
	Does the internal audit activity add value to the organisation and its stakeholders by a) Providing objective and relevant assurance? b) Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes?	✓ ✓			Audit plan is based on the Council's priorities. Audit reports contain actions for improving effectiveness and efficiency. Additional advisory work and presence on project groups requested by management.
	<b>2000 Conclusion</b>	✓			
	<i>2010 Planning</i>				
	Has the CAE determined the priorities of the internal audit activity in a risk-based plan and are these priorities consistent with the organisation's goals?	✓			RBIA in place. Strategic and operational plan based on the organisations objectives and risks, from the Improvement Plan.
	Does the risk-based plan take into account the requirement to produce an annual internal audit opinion?	✓			Strategic and operational plan designed to provide evidence needed for annual opinion.
	Does the risk-based plan take into account the organisation's assurance framework?	✓			Sources of assurance considered during planning and the use of the CAMMS system (Risk & Performance Management System).
	Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of:				a & c - Part of the Strategic Plan. B – as part of the IA Business Plan

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	a) How the internal audit service will be delivered? b) How the internal audit service will be developed in accordance with the internal audit charter? c) How the internal audit service links to organisational objectives and priorities?	✓ ✓ ✓			
	Does the risk-based plan set out how internal audit's work will identify and address local and national issues and risks?	✓			Strategic Plan includes how the plan was developed, including links to risk management.
	In developing the risk-based plan, has the CAE taken into account the organisation's risk management framework and relative risk maturity of the organisation?	✓			Risk management framework assessed by internal audit. Audit Universe given audit risk/priority ratings.
	If such a risk management framework does not exist, has the CAE used his or her judgement of risks after input from senior management and the board and evidenced this?	N/A	N/A	N/A	N/A
<b>LGAN</b>	Does the risk-based plan set out the: a) Audit work to be carried out? b) Respective priorities of those pieces of audit work? c) Estimated resources needed for the work?	✓ ✓ ✓			All included in the plan for 2019/20.
<b>LGAN</b>	Does the risk-based plan differentiate between audit and other types of work?	✓			All work is included within the plan.
<b>LGAN</b>	Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	✓			The plan is renewed quarterly and updated to reflect emerging issues.
	Does the CAE review the plan on a regular basis and has he or she adjusted the plan when necessary in response to changes in the organisation's business, risks, operations, programmes, systems and controls?	✓			The plan is subject to review throughout the year, with amendments reported to the Audit Committee.
	Is the internal audit activity's plan of engagements based on a documented risk assessment?	✓			The Council's strategic and operational risks are assessed and used in audit planning.
	Is the risk assessment used to develop the plan of engagements undertaken at least annually?	✓			The Council's strategic and operational risks are assessed at least annually.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
<b>LGAN</b>	In developing the risk-based plan, has the CAE also considered the following: a) Any declarations of interest (for the avoidance for conflicts of interest)? b) The requirement to use specialists, e.g. IT or contract and procurement auditors? c) Allowing contingency time to undertake ad hoc reviews or fraud investigations as necessary? d) The time required to carry out the audit planning process effectively as well as regular reporting to and attendance of the board, the development of the annual report and the CAE opinion?	✓ ✓ ✓ ✓			Considered in strategic and assignment planning. Considered in strategic and assignment planning. Included in the plan.  Included in the plan.
	Is the input of senior management and the board considered in the risk assessment process?	✓			Consultation takes place with senior management whilst producing the audit plan. Audit Committee views also taken into account.
	Does the CAE identify and consider the expectations of senior management, the board and other stakeholders for internal audit opinion and any other conclusions?	✓			During audit planning.
	Does the CAE take into consideration any proposed consulting engagement's potential to improve the management of risks, to add value and to improve the organisation's operations before accepting them?	✓			All proposed consulting work is considered before it is accepted.
	Are consulting engagements that have been accepted included in the risk-based plan?	✓			Added to the plan and reported to the Audit Committee.
	<b>2010 Conclusion</b>	✓			
	<i>2020 Communication and Approval</i>				
	Has the CAE communicated the internal audit activity's plans and resource requirements to senior management and the board for review and approval?	✓			Reported to Chief Officer Team and Audit Committee. Resource level supported by senior management and Audit Committee. This is evidenced in committee meeting minutes.
	Has the CAE communicated any significant interim changes to the	✓			Would do if applicable.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	plan and/or resource requirements to senior management and the board for review and approval, where such changes have arisen?				
	Has the CAE communicated the impact of any resource limitations to senior management and the board?	✓			Reported to the Audit Committee and COT. Annual plan included possible deferrals.
	<b>2020 Conclusion</b>	✓			
	<i>2030 Resource Management</i>				
	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	✓			Yes.
<b>LGAN</b>	Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise abortive work and time?	✓			Discussed in planning meetings and planned throughout the year.
<b>LGAN</b>	If the CAE believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, has he or she brought these consequences to the attention of the board?  This may include an imbalance between the work plan and resource availability and/or other significant matters that jeopardise the delivery of the plan or require it to be changed.	✓			Audit plan uses the resources available, sufficient to provide the audit opinion. May need to bring in specialised external resource for IT reviews. Budget allocation based on historic allocation however if additional resources are required the Audit Committee will give consideration.
	<b>2030 Conclusion</b>	✓			
	<i>2040 Policies and Procedures</i>				
	Has the CAE developed and put into place policies and procedures to guide the internal audit activity?	✓			Policies and procedures in place. Audit manual updated in Feb 2019. MKI checklist also produced and continually updated.
<b>LGAN</b>	Has the CAE established policies and procedures to guide staff in performing their duties in a manner that conforms to the PSIAS?  Examples include maintaining an audit manual and/or using electronic management systems.	✓			Policies and procedures in place. Audit manual updated in Feb 2019. MKI checklist also produced and continually updated.
<b>LGAN</b>	Are the policies and procedures regularly reviewed and updated to	✓			See above – updated during 2019.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	reflect changes in working practices and standards?				
	<b>2040 Conclusion</b>	✓			
	<i>2050 Coordination</i>				
	Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?	✓			Reliance placed on external auditors and regulators. In Plan for 18/19.
<b>LGAN</b>	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	✓			An assurance mapping exercise was undertaken as part of the 2019/22 Strategic Planning process.
	Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services?	✓			Regular meetings with external auditors and Denbighshire County Council for joint audits.
<b>LGAN</b>	Does the CAE meet regularly with the nominated external audit representative to consult on and coordinate their respective audit plans?	✓			Regular meetings with external auditors. A Joint Working Protocol is in place with WAO. This has been approved by the Audit Committee in 2017.
	<b>2050 Conclusion</b>	✓			
	<i>2060 Reporting to Senior Management and the Board</i>				
	Does the CAE report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan?	✓			Quarterly performance reports to Audit Committee.
	Does the periodic reporting also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board?	✓			Major findings reported. In addition, reports provided as requested by the Audit Committee.
	Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board?	✓			Standard quarterly reporting. However, additional reporting would take place if there was sufficient importance and urgency. Major reports dealt with in full and management called to attend AC meetings.
	<b>2060 Conclusion</b>	✓			



Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	<i>2070 External Service Provider and Organisational Responsibility for Internal Auditing</i>				
	Where an external internal audit service provider acts as the internal audit activity, does that provider ensure that the organisation is aware that the responsibility for maintaining and effective internal audit activity remains with the organisation?	N/A	N/A	N/A	N/A
	<b>2070 Conclusion</b>	N/A	N/A	N/A	N/A
<b>4.2</b>	<b>2100 Nature of Work</b>				
	Does the internal audit activity evaluate and contribute to the improvement of the organisation's governance, risk management and internal control processes?	✓			Overall aim of the department. Internal Audit Manager attends the Corporate Governance Working Group.
	Does the internal audit activity evaluate and contribute to the improvement of the above using a systematic and disciplined approach and is this evidenced?	✓			Through the completion of the audit plan.
	<b>2100 Conclusion</b>	✓			
	<i>2110 Governance</i>				
	Does the internal audit activity: a) Promote appropriate ethics and values within the organisation? b) Ensure effective organisational performance management and accountability? c) Communicate risk and control information to appropriate areas of the organisation? d) Coordinate the activities of and communicate information among the board, external and internal auditors and management?	✓ ✓ ✓ ✓			Through the completion of the audit plan and communication of findings to management.
	Does the internal audit activity assess and make appropriate recommendations for improving the governance process as part of accomplishing the above objectives?	✓			Through individual assignments and by the input of the manager to the Corporate Governance Working Group.
	Has the internal audit activity evaluated the: a) design	✓			Audit work is based on the Council's objectives and priorities and covers some of the areas in

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	b) implementation, and c) effectiveness of the organisation's ethics-related objectives, programmes and activities?				the Code of Corporate Governance such as organisational performance management and communication of risk and control information. The Future Generations Wellbeing act will be incorporated into future audits. Whilst ethics does form part of audits a separate audit on ethic related objectives will be the undertaken.
	Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	✓			Information technology governance included as part of the assurance mapping exercise.
<b>LGAN</b>	Has the CAE considered the proportionality of the amount of work required to assess the ethics and information technology governance of the organisation when developing the risk-based plan?	✓			Completed as part of the Assurance Mapping exercise undertaken as part of the 2019/22 Strategic Planning process.
	<b>2110 Conclusion</b>	✓			
	<i>2120 Risk Management</i>				
	Has the internal audit activity evaluated the effectiveness of the organisation's risk management processes by determining that: a) Organisational objectives support and align with the organisation's mission? b) Significant risks are identified and assessed? c) Appropriate risk responses are selected that align risks with the organisation's risk appetite? d) Relevant risk information is captured and communicated in a timely manner across the organisation, thus enabling the staff, management and the board to carry out their responsibilities?	✓ ✓ ✓ ✓			Risk management included in the audit plan every year. Risks now aligned within the Improvement Plan and managed within the CAMMS system.  Reported to O&S in Performance Reports.
	Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the: a) Achievement of the organisation's strategic objectives?	✓			As part of audit planning and the completion of individual audit assignments. Evaluated and reported to O&S in Performance Reports and within specific audits.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?	✓ ✓ ✓ ✓			Sections b to e within specific audits.
	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	✓			Area for further improvement: As part of the audit management are asked to consider the risk of fraud in their area. The department is responsible for the maintenance of the Anti Fraud Strategy, Fraud Response Plan and Whistleblowing procedure. All updated during 2018/19. Fraud risks considered for each review (specific work programme used). A workshop on Whistleblowing was delivered to Social Services at their request.
	Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	✓			Yes. Action: There is further opportunity to develop the process for delivering consultancy / advisory work to have a more structured approach.
	Are internal auditors alert to other significant risks when undertaking consulting engagements?	✓			Any other risks are reported to audit management.
	Do internal auditors successfully avoid managing risks themselves, which would in effect lead to taking on management responsibility, when assisting management in establishing or improving risk management processes?	✓			Terms of engagement are clear from the outset as evidenced by the "scope". Auditors do not take on management responsibility or risk management roles. Reports are produced with the following statement "advice / recommendations are provided without prejudice to the right of Internal Audit to

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					review and make further recommendations at a later date" after providing a consultation service in an area that may be later audited.
	<b>2120 Conclusion</b>	✓			
	<i>2130 Control</i>				
	Has the internal audit activity evaluated the adequacy and effectiveness of controls in the organisation's governance, operations and information systems regarding the: a) Achievement of the organisation's strategic objectives? b) Reliability and integrity of financial and operational information? c) Effectiveness and efficiency of operations and programmes? d) Safeguarding of assets? e) Compliance with laws, regulations, policies, procedures and contracts?	✓ ✓ ✓ ✓ ✓			As part of audit planning and the completion of individual risk based audit assignments.
	Do internal auditors utilise knowledge of controls gained during consulting engagements when evaluating the organisation's control processes?	✓			All relevant knowledge is used.
	<b>2130 Conclusion</b>	✓			
<b>4.3</b>	<b>2200 Engagement Planning</b>				
	Do internal auditors develop and document a plan for each engagement?	✓			Scope Document developed and agreed for each audit.
	Does the engagement plan include the engagement's: a) Objectives? b) Scope? c) Timing? d) Resource allocations?	✓ ✓ ✓ ✓			Standard format that includes all these.
	Do internal auditors consider the following in planning an engagement, and is this documented:				All considered and documented in the scope

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	a) The objectives of the activity being reviewed? b) The means by which the activity controls its performance? c) The significant risks to the activity being audited? d) The activity's resources? e) The activity's operations? f) The means by which the potential impact of risk is kept to an acceptable level? g) The adequacy and effectiveness of the activity's governance, risk management and control processes compared to a relevant framework or model? h) The opportunities for making significant improvements to the activity's governance, risk management and control processes?	✓ ✓ ✓ ✓ ✓ ✓ ✓			document where relevant. Not all are relevant to each audit.
	Where an engagement plan has been drawn up for an audit to a party outside of the organisation, have the internal auditors established a written understanding with that party about the following: a) Objectives? b) Scope? c) The respective responsibilities and other expectations of the internal auditors and the outside party (including restrictions on distribution of the results of the engagement and access to engagement records)?	✓			NWRWTP – objectives and scope of the audits agreed. Responsibility of IA included in Inter-Authority Agreement. Aura/Newydd - SLA in place.
	For consulting engagements, have internal auditors established an understanding with the engagement clients about the following: a) Objectives? b) Scope? c) The respective responsibilities of the internal auditors and the client and other client expectations?	✓ ✓ ✓			Agreed with management at the start of the work. Scope document includes the respective responsibilities of the internal auditors and the client as well as other client expectations.
	For significant consulting engagements, has this understanding been documented?	✓			As part of the scope document.
	<b>2200 Conclusion</b>	✓			

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Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	<i>2210 Engagement Objectives</i>				
	Have objectives been agreed for each engagement?	✓			Part of the scope document.
	Have internal auditors carried out a preliminary risk assessment of the activity under review?	✓			Where applicable. Strategic and operational risks are considered. Carried out using the pre audit questionnaire and scoping meeting.
	Do the engagement objectives reflect the results of the preliminary risk assessment that has been carried out?	✓			Where applicable.
	Have internal auditors considered the probability of the following, when developing the engagement objectives: a) Significant errors? b) Fraud? c) Non-compliance? d) Any other risks?	✓ ✓ ✓ ✓			When developing the scope document.
	Have internal auditors ascertained whether management and/or the board have established adequate criteria to evaluate and determine whether objectives and goals have been accomplished?	✓			PI's included within the audits.
	If the criteria have been deemed adequate, have the internal auditors used the criteria in their evaluation of governance, risk management and controls?	✓			Part of overall evaluation.
	If the criteria have been deemed inadequate, have the internal auditors worked with management and/or the board to develop appropriate evaluation criteria?	✓			
<b>LGAN</b>	If the value for money criteria have been referred to, has the use of all the organisation's main types of resources been considered; including money, people and assets?	✓			Where referred to. Increased focus on value for money assignments during the year. <b>ACTION:</b> Include as part of future scopes whether management are making best use of resources.
	Do the objectives set for consulting engagements address governance, risk management and control processes as agreed with	✓			Yes would be. Objectives agreed with the client.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	the client?				
	Are the objectives set for consulting engagements consistent with the organisation's own values, strategies and objectives?	✓			Yes would be. Objectives agreed with the client.
	<b>2210 Conclusion</b>	✓			
	<i>2220 Engagement Scope</i>				
	Is the scope that is established for the engagement sufficient to satisfy the engagement's objectives?	✓			Recorded in Scope Document.
	Does the engagement scope include consideration of the following relevant areas of the organisation: a) Systems? b) Records? c) Personnel? d) Premises?	✓			All include consideration of systems. Others considered when appropriate,
	Does the engagement scope include consideration of the following relevant areas under the control of outside parties, where appropriate: a) Systems? b) Records? c) Personnel? d) Premises?	✓			NWRWTP – objectives and scope of the audits agreed. Responsibility of IA included in Inter-Authority Agreement. Aura/Newydd - SLA in place.
	Where significant consulting opportunities have arisen during an assurance engagement, was a specific written understanding as to the objectives, scope, respective responsibilities and other expectations drawn up?	✓			
	Where significant consulting opportunities have arisen during an assurance engagement, were the results of the subsequent engagement communicated in accordance with the relevant consulting Standards?	✓			
	For a consulting engagement, was the scope of the engagement sufficient to address any agreed-upon objectives?	✓			Scope agreed at the start of the audit.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	If the internal auditors developed any reservations about the scope of a consulting engagement while undertaking that engagement, did they discuss those reservations with the client and therefore determine whether or not to continue with the engagement?	✓			This would be and has been raised with Service managers.
	During consulting engagements, did internal auditors address the controls that are consistent with the objectives of those engagements?	✓			As normal procedure.
	During consulting engagements, were internal auditors alert to any significant control issues?	✓			As normal procedure.
	<b>2220 Conclusion</b>	✓			
	<i>2230 Engagement Resource Allocation</i>				
	Have internal auditors decided upon the appropriate and sufficient level of resources required to achieve the objectives of the engagement based on: a) The nature and complexity of each individual engagement? b) Any time constraints? c) The resources available?	✓ ✓ ✓			Planned at start of the year, then amended with detailed planning.
	<b>2230 Conclusion</b>	✓			
	<i>2240 Engagement Work Programme</i>				
	Have internal auditors developed and documented work programmes that achieve the engagement objectives?	✓			Work programmes developed by auditors and reviewed by PAs for each engagement.
	Do the engagement work programmes include the following procedures for: a) Identifying information? b) Analysing information? c) Evaluating information? d) Documenting information?	✓			Information, including analysis and evaluation, recorded in the engagement file, held within MK.
	Were work programmes approved prior to implementation for each	✓			Yes. Reviewed by Principal Auditors.



Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	engagement?				
	Were any adjustments required to work programmes approved promptly?	✓			If applicable. By Principal Auditors.
	<b>2240 Conclusion</b>	✓			
<b>4.4</b>	<b>2300 Performing the Engagement</b>				
	Have internal auditors carried out the following in order to achieve each engagement's objectives: a) Identify sufficient information? b) Analyse sufficient information? c) Evaluate sufficient information? d) Document sufficient information?	✓			Standard methodology, trained and experienced staff, files reviewed by Principal Auditors and retained. Audit software and electronic files used. A checklist is included within the automated audit software. Evidenced based finding approach.
	<b>2300 Conclusion</b>	✓			
	<i>2310 Identifying In formation</i>				
	Have internal auditors identified the following in order to achieve each engagement's objectives: a) Sufficient information? b) Reliable information? c) Relevant information? d) Useful information?	✓			Information requested prior to the audit. All working papers and evidence contained within the IA Audit Management Software. Standard methodology, trained and experienced staff, files reviewed by Principal Auditors and retained. CAATs used where applicable.
	<b>2310 Conclusion</b>	✓			
	<i>2320 Analysis and Evaluation</i>				
	Have internal auditors based their conclusions and engagement results on appropriate analyses and evaluations?	✓			Requirements set out in audit manual. Electronic files contain test sheets and results. Files reviewed by Principal Auditors and retained. All findings based on evidence. Audit Management Software generates findings based on tests, working papers and evidence

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
<b>LGAN</b>	Have internal auditors remained alert to the possibility of the following: a) intentional wrongdoing b) errors and omissions c) poor value for money d) failure to comply with management policy, and e) conflicts of interest when performing their individual audits, and has this been documented?	✓			Requirements set out in audit manual, standard methodology. Electronic files reviewed by Principal Auditors. Auditors are trained and experienced.
	<b>2320 Conclusion</b>	✓			
	<i>2330 Documenting Information</i>				
	Have internal auditors documented the relevant information required to support engagement conclusions and results?	✓			Requirements set out in audit manual. Files reviewed by Principal Auditors
<b>LGAN</b>	Are working papers sufficiently complete and detailed to enable another experienced internal auditor with no previous connection with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached?	✓			Requirements set out in audit manual. Files contain test sheets and results, reviewed by Principal Auditors and retained electronically – checklist in place.
	Does the CAE control access to engagement records?	✓			Electronic files used. Security and backup arrangements for the new software approved by ICT before procurement. Each auditor has their own unique user ID, password and security settings.
	Has the CAE obtained the approval of senior management and/or legal counsel as appropriate before releasing such records to external parties?				Yes Documents released to WAO under their role as external auditors. Documentation has also been provided to the Police as part of investigation. This has only taken place when a Section 29 request is made. This request was referred to the Information Governance Manager for approval.
	Has the CAE developed and implemented retention requirements for	✓			IA has developed its own Documents Retention

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	all types of engagement records?				document which is included as an Appendix within the Audit Manual.
	Are the retention requirements for engagement records consistent with the organisation's own guidelines as well as any relevant regulatory or other requirements?	✓			Retention in line with Flintshire County Council and Data Protection guidelines. As above.
	<b>2330 Conclusion</b>	✓			
	<i>2340 Engagement Supervision</i>				
	Are all engagements properly supervised to ensure that objectives are achieved, quality is assured and that staff are developed?	✓			Supervised by Principal Auditors – scope agreed, work reviewed.
	Is appropriate evidence of supervision documented and retained for each engagement?	✓			Recorded in the files in Audit Management software.
	<b>2340 Conclusion</b>	✓			
<b>4.5</b>	<b>2400 Communicating Results</b>				
	Do internal auditors communicate the results of engagements?	✓			During the audit and at debrief meeting, whilst agreeing draft and final reports. There should be no surprises at the debrief meeting.
	<b>2400 Conclusion</b>	✓			
	<i>2410 Criteria for Communicating</i>				
	Do the communications of engagement results include the following: a) The engagement's objectives? b) The scope of the engagement? c) Applicable conclusions? d) Recommendations and action plans, if appropriate?	✓			Opening meeting held, and included in scoping document. Debrief meeting held to discuss all findings. Included in all reports. Recommendations are not made by internal audit. These are for management to articulate based on the findings supplied
<b>LGAN</b>	Has the internal auditor discussed the contents of the draft final report with the appropriate levels of management to confirm factual accuracy, seek comments and confirm the agreed management	✓			Standard practice to have a closing meeting with relevant managers and Chief Officer to agree draft report.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	actions?				
<b>LGAN</b>	If recommendations and an action plan have been included, are recommendations prioritised according to risk?	✓			Findings prioritised as Red (high), amber (medium), green (low)
<b>LGAN</b>	If recommendations and an action plan have been included, does the communication also state agreements already reached with management, together with appropriate timescales?	✓			Management actions in response to the findings are Included in final report.
<b>LGAN</b>	If there are any areas of disagreement between the internal auditor and management, which cannot be resolved by discussion, are these recorded in the action plan and the residual risk highlighted?	✓			Management are free to highlight those findings where they disagree, this is recorded as the management action in Audit Management software.
<b>LGAN</b>	Do communications disclose all material facts known to them in their audit reports which, if not disclosed, could distort their reports or conceal unlawful practice, subject to confidentiality requirements?	✓			All material known facts disclosed.
<b>LGAN</b>	Do the final communications of engagement results contain, where appropriate, the internal auditor's opinions and/or conclusions, building up to the annual internal audit opinion on the control environment?	✓			Included in the final report.
	When an opinion or conclusion is issued, are the expectations of senior management, the board and other stakeholders taken into account?	✓			Prior communication via the debrief meeting and draft report. Views considered, but the opinion remains the auditors.
	When an opinion or conclusion is issued, is it supported by sufficient, reliable, relevant and useful information?	✓			Reports supported by evidence in the file.
	Where appropriate, do engagement communications acknowledge satisfactory performance of the activity in question?	✓			Included in report.
	When engagement results have been released to parties outside of the organisation, does the communication include limitations on the distribution and use of the results?	✓			WAO only. Status of reports included in communications.
<b>LGAN</b>	If the CAE has been required to provide assurance to other partnership organisations, has he or she also demonstrated that their fundamental responsibility is to the management of the organisation	✓			NWRWTP –Responsibility of IA included in Inter-Authority Agreement.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	to which they are obliged to provide internal audit services?				
	<b>2410 Conclusion</b>	✓			
	<i>2420 Quality of Communications</i>				
	Are communications: a) Accurate? b) Objective? c) Clear? d) Concise? e) Constructive? f) Complete? g) Timely?	✓			Aim for all of these, through specified report format, audit manual requirements, training and experience, review of files and reports.
	<b>2420 Conclusion</b>	✓			
	<i>2421 Errors and Omissions</i>				
	If a final communication has contained a significant error or omission, did the CAE communicate the corrected information to all parties who received the original communication?	✓			The report would be re-issued with updated information.
	<b>2421 Conclusion</b>	✓			
	<i>2430 Use of 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'</i>				
	Do internal auditors report that engagements are 'conducted in conformance with the PSIAS' only if the results of the QAIP support such a statement?	✓			Included in all reports (Front Page).
	<b>2430 Conclusion</b>	✓			
	<i>2431 Engagement Disclosure of Non conformance</i>				
	Where any non-conformance with the PSIAS has impacted on a specific engagement, do the communication of the results disclose the following:	N/A	N/A	N/A	N/A. Not happened.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	a) The principle or rule of conduct of the Code of Ethics or Standard(s) with which full conformance was not achieved? b) The reason(s) for non-conformance? c) The impact of non-conformance on the engagement and the engagement results?				
	<b>2431 Conclusion</b>	N/A	N/A	N/A	N/A
	<i>2440 Disseminating Results</i>				
	Has the CAE determined the circulation of audit reports within the organisation, bearing in mind confidentiality and legislative requirements?	✓			Reports issued to Chief Officers, relevant managers.
	Has the CAE communicated engagement results to all appropriate parties?	✓			Through debrief meetings, draft and final reports.
	Before releasing engagement results to parties outside the organisation, did the CAE: a) Assess the potential risk to the organisation? b) Consult with senior management and/or legal counsel as appropriate? c) Control dissemination by restricting the use of the results?	✓			WAO only for Flintshire Audit reports. NWRWTP and Clwyd Pensions Fund reports seen by senior management before they are issued.
	Where any significant governance, risk management and control issues were identified during consulting engagements, were these communicated to senior management and the board?	✓			Included in reports and issued to Chief Officers. Also reported to Audit Committee, in summary or in total.
	<b>2440 Conclusion</b>	✓			
	<i>2450 Overall Opinion</i>				
	Has the CAE delivered an annual internal audit opinion?	✓			Annual Report.
	Does the annual internal audit opinion conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control?	✓			Annual Report includes the opinions.
	Does the annual internal audit opinion take into account the expectations of senior management, the board and other	✓			Expectations taken into account, but it remains

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	stakeholders?				the audit opinion.
	Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information?	✓			Built up from all reports in the year.
	Does the communication identify the following: a) The scope of the opinion, including the time period to which the opinion relates? b) Any scope limitations? c) The consideration of all related projects including the reliance on other assurance providers? d) The risk or control framework or other criteria used as a basis for the overall opinion?	✓			All included in the Annual Report.
	Where a qualified or unfavourable annual internal audit opinion is given, are the reasons for that opinion stated?	N/A	N/A	N/A	N/A. Not given. If this were the case, reasons would be included.
	Has the CAE delivered an annual report that can be used by the organisation to inform its governance statement?	✓			Used and quoted in the AGS.
	Does the annual report incorporate the following: a) The annual internal audit opinion? b) A summary of the work that supports the opinion? c) A disclosure of any qualifications to the opinion? d) The reasons for any qualifications to the opinion? e) A disclosure of any impairments or restriction in scope? f) A comparison or work actually carried out with the work planned? g) A statement on conformance with the PSIAS? h) The results of the QAIP? i) Progress against any improvement plans resulting from the QAIP? j) A summary of the performance of the internal audit activity against its performance measures and targets? k) Any other issues that the CAE judges is relevant to the preparation of the governance statement?	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓			Yes to all apart from C/D which is N/A

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
		✓			
	<b>2450 Conclusion</b>	✓			
<b>4.6</b>	<b>2500 Monitoring Progress</b>				
	Has the CAE established a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action?	✓			Action tracking in operation for all actions using audit software which gives direct access to managers to update and monitor progress. Managers are required to provide evidence to support implementation which is validated by auditors before actions is closed on the system. Monthly reports issued to management on outstanding actions. All high risk reports are followed up and a new report is produced based on follow up testing performed. Also some follow up reviews. Managers called to Audit Committee if inadequate action. Action tracking report to Chief Officers monthly and to each Audit Committee.
	Where issues have arisen during the follow-up process, has the CAE considered revising the internal audit opinion?	✓			All high risk reports are followed up and a new report is produced based on follow up testing performed.
	Do the results of monitoring management actions inform the risk-based planning of future audit work?	✓			Included in planning for the year.
	Does the internal audit activity monitor the results of consulting engagements as agreed with the client?	✓			At a later time by a different auditor, to ensure independence is maintained.
	<b>2500 Conclusion</b>	✓			
<b>4.7</b>	<b>2600 Communicating the Acceptance of Risks</b>				
	If the CAE has concluded that management has accepted a level of risk that may be unacceptable to the organisation, has he or she discussed the matter with senior management?	✓			Where management has disagreed with a finding, this is identified via the final report to senior management.



Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	If, after discussion with senior management, the CAE continues to conclude that the level of risk may be unacceptable to the organisation, has he or she communicated the situation to the board?	✓			It would be if happened.
	<b>2600 Conclusion</b>	✓			

Mae'r dudalen hon yn wag yn bwrpasol

**Quality Assurance and Improvement Plan (QAIP) - Actions – 2018/19**

**Appendix B**

Actions from External Assessment (EA) March 2017 and Self-Assessment (SA) February 2019 (questions not scored as conforming)

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Ref	Conformance with the Standard	Compliance	Planned Actions	Person Resp.	Timescale	Comment
2120 (SA)	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	Partial	Improve awareness of fraud. Collect data on fraud risk.(2120)	LB	Implemented	Fraud risk analysis is undertaken as part of each audit review.
					Implemented	Whistleblowing training has been delivered to Social Services.
					Implemented	Anti-Fraud and Corruption Strategy and Fraud Response Plan has been updated and presented to audit Committee in February 2019. Once approved by Council this will be launched on Council's Infonet and website.
					March 2020	Develop an online reporting solution which would support digital and customer strategies during 2019/20. This has been delayed from 2018/19 action.
2400 (EA)	Communicating Results- The Service cited a benefit of allowing one of the 'timing' performance	Suggestion	The Service should consider reviewing the performance indicator to ensure it is meaningful.(2400)	LB	Implemented	The PI's were reviewed in September 2017 and two were amended to reflect ways of working.

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Ref	Conformance with the Standard	Compliance	Planned Actions	Person Resp.	Timescale	Comment
	indicators (PIs) to run over the set target.				Ongoing	As part of the Welsh Chief Internal Auditors group a separate review will be undertaken to assess the effectiveness of all PIs. The committee will be updated once this review has been completed.
2050 (SA & EA)	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	Non Compliance	Assurance mapping to be completed in 2017.(2050)	LB	Implemented	An Assurance Mapping exercise was undertaken as part of the development of the 2019/20-2021/22 Strategic Audit Plan.
1000 (EA) (SA)	The internal audit charter does not define the term 'senior management', for the purposes of the internal audit activity. (EA)  The Audit Charter does not make reference to auditing a third party. (SA)	Partial	(EA) The Service could insert a definition in the Independence & Authority (para 6, point 5) of the IA Charter, or revise the Charter by inserting a catch-all statement such as "For the purposes of Internal Audit activity, the Audit Committee is equivalent to the 'Board' and the Chief Officers' Team constitutes 'Senior Management'. (1000) LGAN  (SA) Following the transfer out of Leisure & Libraries and Cleaning & Catering Services,	LB	In Progress	The Charter is currently being reviewed and updated to: <ul style="list-style-type: none"> <li>• Define the term of Senior Management. Deferred from March 2018 to July 2018.</li> <li>• Include reference to auditing a third party (Aura / NEWydd).</li> </ul> The updated Charter will be presented to Audit Committee for consideration and approval in June 2019.

Ref	Conformance with the Standard	Compliance	Planned Actions	Person Resp.	Timescale	Comment
			the Charter needs to be updated to define the nature of the assurance provided to Aura and NEWydd. (1000.A1)			
1110 (EA)	The PSIAS specifically requires the Chief Executive to undertake, countersign, contribute feedback to or review the Audit Manager's performance appraisal (PSIAS 1110 – S/A point 6). It is required that feedback is also sought upon the appraisal from the Chair of the Audit Committee (PSIAS 1110 – S/A point 7).	Partial	The issue has been discussed with the Interim Internal Audit Manager. It is acknowledged that due to the governance structure of the Authority, the current procedure has been deemed sufficient. However, this may be re-addressed to achieve full conformance with the PSIAS in future.(1110)	LB	Ongoing	<p>The current procedure has been deemed sufficient given the Chief Officer Governance and the Chief Executive attend each Audit Committee meeting. Direct contact is also in place between the Internal Audit Manager with the Chief Officer, Governance, the Chief Executive and the Chair and Vice Chair of the Audit Committee. Any performance issues would be addressed immediately rather than wait for a formal appraisal. This point will be picked up for future appraisals (April 2018).</p> <p>In relation to the appointment of the Internal Audit Manager, the Chair of the Audit Committee, Chief Executive, and Chief Officer, Governance were involved.</p>
2110 (SA & EA)	Internal Audit reviews the activities in place that manage and monitor the effective implementation of the	Partial	(SA) Review as part of CGWG – review of Code of Corporate Governance.	LB	Ongoing	Audit work is based on the Council's objectives and priorities and covers areas in the Code of Corporate Governance such as organisational, performance management, and

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Ref	Conformance with the Standard	Compliance	Planned Actions	Person Resp.	Timescale	Comment
	organisation's ethics and values.		(EA) The Service needs to undertake a review to evaluate the design, implementation and effectiveness of the Council's ethics related objectives, programs & activities. (2110.A1)			communication of risk and control information.  Whilst ethics is considered as part of routine audits, a specific review on ethics and values has been included within the 2019/20 audit plan.
1120 (EA)	The regular rotation of work between officers has not been documented in the Service's Charter.	Suggestion	The Service could insert an additional statement under the 'Independence and Authority' section of the Charter confirming regular rotation of work is usually adhered to in order to further enhance independence and objectivity. (1120)	LB	In Progress	Whilst the Audit Charter is currently being updated to address this point, it should be acknowledged that ensuring independence and objectivity is a priority within the team; however, in some instances a conscious decision has been made to use the same auditor for key system reviews to develop expertise and specialism within the team as this adds value to the audit and reduces resources.
2110 (EA)	ICT projects are included in the audit plan, which, together with other ICT assurances, support the organisation's strategies and objectives. However, this is not currently noted in the Annual	Suggestion	To support the annual opinion further, the Section could consider noting the assurance gained from the ICT audit work undertaken during the year in the 'Governance' section of the Annual Report. (2110.A2)	LB	Implemented	Reference to external assurance was included within the Annual Report for 2017/18 and will be included in all future annual reports.

Ref	Conformance with the Standard	Compliance	Planned Actions	Person Resp.	Timescale	Comment
	Report.					
2330 (EA)	The Service has its own documentation retention policy which is currently a stand-alone document.	Suggestion	The Section could consider inserting the audit retention policy in full in the Audit Manual which is the document that ensures all internal audit staff are adequately informed on the Service's methodology, policies and procedures.(2330.C1)	LB	Implemented	The document retention policy has been reviewed and included an appendix within the Audit Manual.
2120 (SA)	Internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	Generally Comply  Identified opportunity for further improvement	There is further opportunity to develop the process for delivering consultancy / advisory work to have a more structured approach.	LB	March 2020	New action for 2018/19.
2210 (SA)	Value for money criteria has been considered, including the organisation's main types of resources been considered, e.g. money, people and assets?	Generally Comply  Identified opportunity for further improvement	Include as part of future scopes whether management are making best use of resources.	LB	March 2020	New action for 2018/19.

Tudalen 167

Mae'r dudalen hon yn wag yn bwrpasol



**Quality Assurance Improvement Programme – Components (CIA) 2018/19** **Appendix C**

Tudalen 169

Ref	Component	2018/19 Actions following 2017/18 Assessment	Status of 2018/19 Actions	2019/20 Planned Actions following 2018/19 Assessment
1	Develop and maintain audit policies and procedures.	Ongoing review of policies and procedures to ensure most effective working arrangements are in place.	<p><b>In Progress – Action to Remain Open</b></p> <p>Policies and procedures updated on an ongoing basis, including MK.</p> <p>The Audit Charter is currently being updated to address the actions within the Quality Assurance Improvement Plan (QAIP). The updated Charter will be presented to Audit Committee in June for consideration and approval.</p>	<p>Ongoing review of policies and procedures to ensure most effective working arrangements are in place.</p> <p>Review and update the Audit Charter as required.</p>
2	Administer and maintain the Internal Audit Manual.	Review and reissue if amended in 2018.	<p><b>Completed – Action to Remain Open</b></p> <p>The manual has been updated to include Internal Audits the document retention policy as an appendix.</p>	Review and reissue, if amended, in 2019.
3	Ensure the financial and budget management of the department.	Monitor financial budget management through the use of Collaborative Planning (CP) Software.	<p><b>Completed – Action to Remain Open</b></p> <p>Monthly financial budget monitoring has been undertaken using CP Software.</p>	Continue to maintain financial budget through monthly monitoring via CP Software.
4	Maintain the audit risk universe, gather and incorporate new	Update audit universe from audits, the Council Plan and Risk Registers. Incorporated in	<p><b>Completed – Action to Remain Open</b></p> <p>Assurance mapping exercise has been</p>	Continue to maintain an up to date audit universe which mirrors the Council's Priorities

Ref	Component	2018/19 Actions following 2017/18 Assessment	Status of 2018/19 Actions	2019/20 Planned Actions following 2018/19 Assessment
	information impacting the universe.	<p>strategic planning.</p> <p>Continue to monitor plan on a quarterly basis with Chief Officers and their Portfolio Senior Management Team and bimonthly with the Chief Executive to ensure the audit plan can respond to emerging issues.</p>	<p>undertaken of the Audit Universe, taking into account past audits, the Council Plan, Strategic Risk and external assurance etc.</p> <p>Quarterly meetings continued to be held with Chief Officers and their Portfolio Senior Management Team and bimonthly with the Chief Executive to ensure the audit plan remains a live document.</p>	<p>and Strategic Risks.</p> <p>Continue to monitor the plan on a quarterly basis with Chief Officers and their Portfolio Senior Management Team and bimonthly with the Chief Executive to ensure the audit plan can respond to emerging issues.</p>
5	Evaluate audit risk and produce the strategic plan.	Strategic Plan produced using risks from Council Plan and own knowledge and through consultation with Management.	<p><b>Completed – Action to Remain Open</b></p> <p>Strategic Plan produced using the Council Plan, strategic risks, operational intelligence and consultation with Chief Officers, their Senior Management Team and Chief Executive.</p>	Continue to produce the Strategic Plan using a risk based approach undertaken in 2018/19.
6	Agree and implement an annual plan.	Annual Plan is the first year of the Strategic Plan. It will be presented to Audit Committee on 21 March 2018 for approval.	<p><b>Completed – Action to Remain Open</b></p> <p>The Strategic Plan and Annual Plan was approved by Audit Committee on 21 March 2018.</p>	Strategic Plan (including annual plan) to be presented for approval by Audit Committee on 27 March 2019.

Ref	Component	2018/19 Actions following 2017/18 Assessment	Status of 2018/19 Actions	2019/20 Planned Actions following 2018/19 Assessment
7	Operate audit tools and use up to date technology.	<p>MKinsight to be used for all stages of the audit process.</p> <p>Further develop the use of IDEA and root cause analysis.</p>	<p><b>Part Completed – Action to Remain Open</b></p> <p>MK Insight used for all audit work undertaken.</p> <p>New Control Risk Self Assessments have been developed using MKinsight.</p> <p>There has also been an increase use in CAATS; however, due to available resources, root cause analysis has not been rolled out to date.</p>	<p>Continue to use MKinsight for all stages of the audit process.</p> <p>Continue to develop the teams' skills in using Computer Assisted Auditing Techniques Software (CAATS).</p> <p>Continue to develop root cause analysis.</p>
8	Manage recruitment to meet staffing needs.	No further recruitment needed.	<p><b>Completed – Action to Remain Open</b></p> <p>Due to the retirement of the Principal Auditor a recruitment exercise is underway.</p>	Continue to monitor the staffing needs of the team.
9	Complete annual performance appraisals.	Continue to undertake annual appraisals, due April / May 2018.	<p><b>Completed – Action to Remain Open</b></p> <p>All appraisals were completed during April May 2018.</p>	Continue to undertake annual appraisals, due April / May 2019.
10	Maintain training and development of staff.	<p>Continue to maintain training and development plan following appraisals.</p> <p>Revisit the succession planning exercise undertaken to identify</p>	<p><b>Completed – Action to Remain Open</b></p> <p>Training continues to be undertaken by the services, with the CIA qualified auditors undertaken their mandatory 30 hours.</p>	<p>Continue to maintain training and development plan following appraisals.</p> <p>Continue support the team with their training needs.</p>

Ref	Component	2018/19 Actions following 2017/18 Assessment	Status of 2018/19 Actions	2019/20 Planned Actions following 2018/19 Assessment
		future workforce development requirements. This will consider the appointment of the new Principal Auditor in March 2018 and the retirement of a Principal Auditors post in March 2019.	<p>As part of succession planning, one member of the team has started to study for the qualification of Certified Internal Auditor.</p> <p>In September 2018 the Graduate Trainee appointed commenced studying the Chartered Institute of Public Financial &amp; Accountancy's professional qualification (CIPFA).</p>	Revisit the succession planning exercise undertaken to identify future workforce development requirements.
11	Evaluate post-audit questionnaires.	<p>Continue to issue questionnaires via MKI.</p> <p>Explore scope for improvement in officers returning completed questionnaires.</p>	<p><b>Part Completed - Action to Remain Open</b></p> <p>Questionnaires continue to be issued via MKI.</p> <p>Due to technical issues with the MKI software following an update, there has been little scope for improvement during the year.</p>	<p>Continue to issue questionnaires via MKI.</p> <p>Explore scope for improvement in officers returning completed questionnaires.</p>
12	Complete quarterly progress reports to audit committee.	Present progress reports to the AC every quarter.	<p><b>Completed – Action to Remain Open</b></p> <p>Progress reports presented to the AC every quarter.</p>	Continue to present progress reports AC every quarter.
13	Monitor the implementation of audit	Actions now tracked through MKinsight.	<b>Completed – Action to Remain Open</b>	Continue to track actions due for implementation through

Ref	Component	2018/19 Actions following 2017/18 Assessment	Status of 2018/19 Actions	2019/20 Planned Actions following 2018/19 Assessment
	recommendations.	A monthly report of all outstanding actions is issued to Chief Officers and presented to Audit Committee.	<p>All actions are tracked through MKinsight.</p> <p>It is the responsibility of management to ensure actions are implemented, a monthly report continues to be issued of all outstanding actions to Chief Officers and presented to Audit Committee.</p> <p>Chief Officers will also be notified when a high priority actions is implemented.</p>	MKinsight.
14	Keep the audit team up to date with professional best practice.	Training courses, seminars, etc. are monitored. Manager, Principals and Senior Auditors attend where relevant.	<p><b>Completed – Action to Remain Open</b></p> <p>Training courses, seminars, etc. are monitored. Manager, Principals and Senior Auditors attend where relevant.</p>	Continue to invest in the professional development of the Internal Auditors through attendance on training courses, seminars, and webinars where budget allows.

Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 10



## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 27 March 2019
<b>Report Subject</b>	Internal Audit Progress Report
<b>Report Author</b>	Internal Audit Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

Internal Audit produces a progress report for the Audit Committee every quarter. This shows the position of the team against the plan, changes to the plan, final reports issued, action tracking, performance indicators and current investigations. This meets the requirements of the Public Sector Internal Audit Standards, and also enables the Committee to fulfil the Terms of Reference with regards to Internal Audit.

The current report is attached.

### RECOMMENDATIONS

1	To consider and accept the report.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT</b>
1.01	Internal Audit gives a progress report to the Audit Committee every quarter as part of the normal reporting process. The report is divided into several parts.
1.02	The level of audit assurance for standard audit reviews is detailed within Appendix A. All reports finalised since the last Committee meeting are shown in Appendix B.
1.03	During the Audit Committee facilitation workshop in September, it was agreed that a profile of the audit assurance and priority of actions would be included as part of the Internal Audit Progress report rather than waiting until the annual report. This will provide an oversight to Audit Committee on the

	cumulative assurance throughout the year, however it should be noted this will be fluid. This profile is shown in Appendix C.
1.04	Since the last Committee meeting in February no reports have been issued with a red assurance opinion. Copies of all final reports are available for members if they wish to see them.
1.05	<p>The automated tracking of actions is completed through the use of the integrated audit software. All actions are tracked automatically and the system allows Managers and Chief Officers to monitor their own teams' outstanding actions and confirm they are being implemented.</p> <p>E-mail alerts are generated by the system and sent to the responsible officer and their manager before the action is due. In the event an action is not completed within the agreed date, an e-mail is also sent to the responsible officer, their manager and copied to Chief Officers for awareness. Monthly reports are also sent to Chief Officers informing them of outstanding actions for their teams. Since the last Audit Committee, the monthly report to Chief Officers has been amended to identify the date of the last update provided (if any) for each action and request that each Chief Officer reviews this.</p> <p>Appendix D shows the current situation. Of 886 actions entered into the system, 798 have been cleared and 88 remain live. There are 6 overdue actions to be reported, listed in Appendix E.</p> <p>Appendix F lists all actions with a revised due date of six months from the original due date and a note on how the risk is being managed. For each revised due date entered onto the system, the officer is required to provide a reason to support this change.</p> <p>To avoid repetition in the report, where an action is older than six months and overdue this action will be included within the Appendix E, Actions Overdue.</p>
1.07	Appendix G shows the status of current investigations into alleged fraud or irregularities. The table includes the start dates of the investigations.
1.08	Appendix H shows the range of performance indicators for the department. Overall performance continues to meet the current targets set; however, there has been a slight reduction in the number of audits completed within budget, the number of days for departments to provide comments to their reports and the number of questionnaires returned overall. This level of performance will be monitored.
1.09	Appendix I shows the current position of work being finalised from the 2017/18 plan.
1.10	<p>Appendix J shows the current position of the 2018/19 plan. Two audits that were planned for quarter four have now been deferred and included within the audit plan for 2019/20. These audits are:</p> <ul style="list-style-type: none"> <li>• Budget Planning Challenge</li> <li>• Business Planning, Risk and Performance Management.</li> </ul>



1.11	<p>On a quarterly basis, the 2018/19 plan is reviewed and reprioritised to accommodate any new requests for work or to respond to emerging issues. Since April 2018 the service has received nine requests for additional work, which are listed below and also shown in the Appendix J, highlighted in red.</p> <ul style="list-style-type: none"> <li>• North Wales Residual Waste – CNIN Verification of Local Labour Figures</li> <li>• Review of Method Statements</li> <li>• Review of Pay Modelling Assumptions and Methodology</li> <li>• Carbon Reduction Scheme</li> <li>• Public Burials</li> <li>• Budget Workforce Group</li> <li>• Exit Packages</li> <li>• Project Apple</li> <li>• Advice to NEWydd</li> </ul>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a direct result of this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None required.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The work of Internal Audit provides assurance to the Council that adequate and effective controls are in place to mitigate risks.

<b>5.00</b>	<b>APPENDICES</b>	
5.01	Appendix A	Levels of Audit Assurance
	Appendix B	Final Reports Issued Since November 2018
	Appendix C	Audit Assurance and Priority of Actions
	Appendix D	Action Tracking – Portfolio Statistics
	Appendix E	Over Due Actions (including actions older than 6 months if overdue)
	Appendix F	Actions with Revised Due Date Six Months Beyond Original Due Date and not overdue
	Appendix G	Investigation Update
	Appendix H	Performance Indicators
	Appendix I	Operational Plan 2017/18 (Carry Forward)
	Appendix J	Operational Plan 2018/19

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager</p> <p><b>Telephone:</b> 01352 702231</p> <p><b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Wales Audit Office:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p><b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p><b>Wales Chief Auditors Group:</b> An informal meeting group of Chief Auditors to discuss items of mutual interest.</p> <p><b>Operational Plan:</b> the annual plan of work for the Internal Audit team.</p>

# Flintshire Internal Audit

Progress Report



March 2019

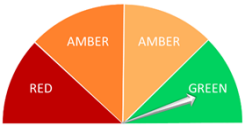
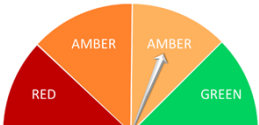
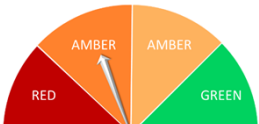

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# Levels of Assurance – Standard Audit Reports

# Appendix A

The audit opinion is the level of assurance that Internal Audit can give to management and all other stakeholders on the adequacy and effectiveness of controls within the area audited. It is assessed following the completion of the audit and is based on the findings from the audit. Progress on the implementation of agreed actions will be monitored. Findings from **Red** assurance audits, and summary findings from Amber Red audits will be reported to the Audit Committee.

Level of Assurance	Explanation
<p><b>Green – Substantial</b></p> 	<p><b>Strong controls in place (all or most of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist and are applied consistently and effectively</li> <li>• Objectives achieved in a pragmatic and cost effective manner</li> <li>• Compliance with relevant regulations and procedures</li> <li>• Assets safeguarded</li> <li>• Information reliable</li> </ul> <p>Conclusion: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.</p> <p><b>Follow Up Audit:</b> 85%+ of actions have been implemented. All high priority actions have been implemented.</p>
<p><b>Amber Green – Reasonable</b></p> 	<p><b>Key Controls in place but some fine tuning required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact</li> <li>• Some refinement or addition of controls would enhance the control environment</li> <li>• Key objectives could be better achieved with some relatively minor adjustments</li> </ul> <p>Conclusion: key controls generally operating effectively.</p> <p><b>Follow Up Audit:</b> 51-85% of actions have been implemented. All high priority actions have been implemented.</p>
<p><b>Amber Red – Some</b></p> 	<p><b>Significant improvement in control environment required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively</li> <li>• Evidence of (or the potential for) financial / other loss</li> <li>• Key management information exists but is unreliable</li> <li>• System / process objectives are not being met, or are being met at an unnecessary cost or use of resources.</li> </ul> <p>Conclusion: key controls are generally inadequate or ineffective.</p> <p><b>Follow Up Audits</b> - 30-50% of actions have been implemented. Any outstanding high priority actions are in the process of being implemented.</p>
<p><b>Red – Limited</b></p> 	<p><b>Urgent system revision required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls are absent or rarely applied</li> <li>• Evidence of (or the potential for) significant financial / other losses</li> <li>• Key management information does not exist</li> <li>• System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources.</li> </ul> <p>Conclusion: a lack of adequate or effective controls.</p> <p><b>Follow Up Audit</b> - &lt;30% of actions have been implemented. Unsatisfactory progress has been made on the implementation of high priority actions.</p>
<p><b>Categorisation of Actions</b></p>	<p>Actions are prioritised as High, Medium or Low to reflect our assessment of risk associated with the control weaknesses</p>
<p><b>Value for Money</b></p>	<p>The definition of Internal Audit within the Audit Charter includes ‘It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of resources.’ These value for money findings and recommendations are included within audit reports.</p>

## Final Reports Issued Since February 2019

## Appendix B

The following reports and advisory work have been finalised since the last Audit Committee. Action plans are in place to address the weaknesses identified.

Project Reference	Portfolio	Project Description	Audit Type	Level of Assurance	Actions		
					High	Med	Low
44-2018/19	Gov	Council Tax and NNDR	System Based	Green	0	1	0
01-2018/19	Cross Cutting	Deferred Charges on Properties ( <i>Gov, H&amp;A and SS</i> )	Risk Based	Amber Green	0	7	4
13-2018/19	Gov	P2P – Transfer of Process	Risk Based	Amber Green	0	3	0
07-2018/19	H&A	Homelessness Follow Up	Follow Up	Amber Green	0	2	2
38-2018/19	P&R	Collaborative Planning	Advisory	Advisory	-	-	-
AC 01-2018/19	P&R	MTFS Forecasting Statements	Advisory	Advisory	-	-	-

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## Audit Assurance Summary

## Appendix C

Portfolio	Number of Reports & Assurance						Priority & Number of Agreed Actions			
	Red	Amber Red	Amber Green	Green	Advisory - No Opinion Given	In Total	High	Medium	Low	In Total
Corporate					2	2				
Education & Youth			4	4	3	11		11	10	21
Governance	1	1	2	1		5	3	30	8	41
Housing & Assets		1	2		2	5	2	6	4	12
People & Resources		1	3		1	5	2	11	12	25
Planning, Environment & Economy					2	2				
Social Services			2			2		1	7	8
Streetscene & Transportation					1	1				
External		1	1		2	4	1	2	6	9
<b>Total</b>	<b>1</b>	<b>4</b>	<b>14</b>	<b>5</b>	<b>13</b>	<b>37</b>	<b>8</b>	<b>61</b>	<b>47</b>	<b>116</b>

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Appendix D

Action Tracking – Portfolio Performance Statistics

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Portfolio	February 2018 Statistics			Live Actions - As at February 2018			Actions beyond <u>Original</u> due date		
	Number of Actions Raised <b>Since</b> January 2016	Actions Implemented since Jan 2016 <i>(including Actions No Longer Valid)</i>	% of Actions Cleared To Date	Live Actions	Actions Beyond Due Date <i>(excludes Actions with revised due date)</i>	Actions with a Revised Due Date	Actions between 6 & 12 months	Actions Greater than 12 Months (13+)	
Chief Executives *	45	41	<b>90%</b>	4	1	1	1	0	
Education & Youth	65	62		3	2	2	2	0	
Governance *	139	120		19	0	9	2	3	
Housing & Assets *	137	111		26	0	4	4	1	
People & Resources	150	139		11	3	6	3	2	
Planning, Environment & Economy *	60	50		10	0	10	2	4	
Social Services	101	89		12	0	5	0	1	
Streetscene & Transportation	75	75		0	0	0	0	0	
External	27	25		2	0	2	1	1	
Individual Schools	87	86		1	0	1	0	0	
<b>Total</b>	<b>886</b>	<b>798</b>			<b>88</b>	<b>6</b>	<b>40</b>	<b>15</b>	<b>12</b>

\* Actions removed and relocated within External e.g. Clwyd Pension Fund

\* Actions removed from Community & Enterprise and reallocated between Governance, Housing & Assets and Strategic Programmes & Planning, Environment & Economy



Actions Overdue and Older than 6 months (where overdue)

Appendix E

Audit	Ref	Action	Priority	Original Due Date	Revised Due Date	Age of Action from Original Due Date (Months)	Reason for Revised Due Date and Current Position	How Risk is Being Managed
<b>Chief Executive</b>								
Risk Management 2016/17 Tudalen 185	2004	Inclusion of Operational risk in Business Plans	M	31/03/2018	30/11/2018	11		Chief Officers have all been involved in the revision of the Risk Management Strategy and discussion about the escalation protocol.  Performance Leads have also been updated as to the diligence needed around risk management at a service level.
<b>Education &amp; Youth</b>								
Youth Justice 2016/17	2013	A nominate resource from social services for children is not in place.  Review to be completed with the Children Services	M	31/03/2018	31/12/2018	11	Matter to be raised to the YJS Executive Delivery Group and Executive Management Board.	Commenced discussions with Children's Services Senior Managers. However at present Children's Services

		Executive Board Representatives to implement solution in line with the Crime and Disorder Act 1998.						are unable to provide us with an allocated social worker. Action not met. Matter to be raised to the YJS Exec
<p>Youth Justice (2016/17)</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 186</p>	2045	<p>Devise a contingency business case to identify and mitigate risks against statutory and non-statutory grants to assist with the business continuity.</p> <p>Review opportunities identified by the external review to develop a succession plan. Approval to be obtained for both of these initiatives from the Chief Executive.</p>	M	31/03/2018	31/08/2018	11	<p>Discussions has commenced with Chair of Exec Board but awaiting for final budget confirmation (final grant amount from YJB pending). Discussions ongoing.</p>	<p>A Business Case to Chief Officer, Education &amp; Youth and Chief Executive has been submitted for consideration.</p>
<b>People and Resource</b>								
Working Time Regulations 2017/18	2120	<p>A report will be produced on a quarterly basis for each Portfolio to identify all employees who have worked on average in excess of 48 hours over a 26 week period (this new timeframe is documented within the latest Council policy).</p> <p>This information will be shared with each Chief Officer for review and action and concerns will be escalated as</p>	M	31/07/2018	-	7	<p>We prepared working time leaflets in advance of preparing and launching the policy. The policy is on the Infonet and from memory went out originally via workforce news.</p> <p>Managing working time is a management responsibility so we have targeted managers rather than staff. The TUs adopt the same approach. As you might expect, effort is concentrated on the areas where there are lots of additional hours and/or overtime worked - some services do not have any spend recorded</p>	

		<p>required to the Senior Manager HR &amp; OD and Head of Paid Service.</p>					<p>in this record. We also run reports periodically to establish average hours worked over the 17 week reference period. The policy agreed with the TUs enables us to increase the reference period to accommodate seasonal peaks (for example Panto season, winter maintenance) which should mean going forward that there are fewer opportunities for non-compliance.</p> <p>This is an area that will remain under scrutiny as it is critical from a health and well-being perspective, especially when stress is recorded as the number one reason for absence (as working regular, long hours without the required rest breaks contributes).</p>	
<p>Working Time Regulations 2017/18 187</p>	<p>2123</p>	<p>A report will be produced on a quarterly basis for each Portfolio to identify all employees who have worked on average in excess of 48 hours over a 26 week period (this new timeframe is documented within the latest Council policy).</p> <p>This information will be shared with each Chief Officer for review and action and concerns will be escalated as required to the Senior Manager HR &amp; OD and Head of Paid Service.</p>	<p>M</p>	<p>31/07/2018</p>	<p>-</p>	<p>7</p>	<p>We prepared working time leaflets in advance of preparing and launching the policy. The policy is on the Infonet and from memory went out originally via workforce news.</p> <p>Managing working time is a management responsibility so we have targeted managers rather than staff. The TUs adopt the same approach. As you might expect, effort is concentrated on the areas where there are lots of additional hours and/or overtime worked - some services do not have any spend recorded in this record. We also run reports periodically to establish average hours worked over the 17 week reference period. The policy agreed with the TUs enables us to increase the reference period to accommodate seasonal peaks</p>	

							(for example Panto season, winter maintenance) which should mean going forward that there are fewer opportunities for non-compliance.  This is an area that will remain under scrutiny as it is critical from a health and well-being perspective, especially when stress is recorded as the number one reason for absence (as working regular, long hours without the required rest breaks contributes).
Working Time Regulations 25/7/18 188	2201	The overall position of the Council is to provide a work life balance for all employees. In respect of Social Services employees, management were aware of the working time regulations and the challenges of meeting these versus the regulatory requirements in terms of continuity of care for vulnerable people who require overnight support. Managers have taken actions to minimise the tensions of this by engaging staff on a rota basis and increasing the use of concessionary rest periods.  The service is not in a position to make additional appointments to cover sleep in work hours as the service has to ensure continuity of care for service users it is essential that this is maintained. No concerns have been raised by	M	31/07/2018	-	7	Possibly going close due to risk accepted waiting for confirmation

Tudalen 189	<p>the employees identified, however any issues reported would be addressed. In addition, it is worth noting that employees who work sleep-ins are rarely 'called-on' to work and therefore are not actually working during this period despite being recorded as working to comply with the Regulations.</p> <p>Taking into account all of the above, the level of risk has been considered and accepted in operational terms.</p> <p>The introduction of the monitoring reports (2A &amp; 3A) will assist in identifying any further significant concerns which will be actioned as necessary.</p> <p>In addition for Social Services Portfolio, a report will be produced on a quarterly basis to identify the number and frequency of employees called-on to provide reassurance. This should prompt management intervention, if required.</p>						
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Actions with a Revised Due Date Six Months Beyond Original Due Date (Not Overdue)

Appendix F

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
<b>Governance</b>									
PCIDSS Compliance (15/16) Tregalven 190	1516	The officer working group should ensure that the self-assessment is completed drawing on the full range of professional expertise and experience of the group.	H	31/12/2016	29/07/2019	08/03/2019	The Council has implemented the necessary changes to ensure compliance with web payments and with payments taken via kiosks in Connects Centres. There is a remaining area of non-compliance with payments taken over the phone that will require new software. The council is looking at how many licences it needs and whether to simply divert some payments from phone to web prior to purchasing and implementing the new software. If/when funding is agreed the council will be able to commission a software supplier and establish a firm date for	A PCIDSS review was undertaken by a specialist QSA provider, ECSC, on 4th October 2017. The review has identified areas of compliance and areas of risk. Overall, the Council is deemed to be 50% compliance to PCIDSS. The findings of the report are now being considered by the Project Group and Chief Officer to identify what measures are required to increase compliance but this will undoubtedly require substantial investments in IT to achieve 100% compliance.	The completed detailed SAQ'S will be completed in Q1 of 2019/20  Revised workforce procedures have now been introduced as part of managing risks associated with PCIDSS (aligned to another audit recommendation) and work to complete the SAQ'S will now commence in January 2018 as part of a join

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
							implementation and thus achieving compliance		
Flintshire Connects  Tudalen 191	1505	<p>Services accessed by Flintshire Connects cannot always be delivered in full.</p> <p>A fundamental review of all customer facing services will be undertaken to explore the best future method of delivery, including face to face, through Connects centres backed up by feasibility studies for areas where greatest efficiency could be achieved. This review will look in the first instance at service delivery methods across all Portfolios and assess if they are sufficiently lean and a decision made on what services could</p>	M	30/09/2017	31/03/2020	05/03/2019	<p>Following this audit and the revision of the Customer Service Strategy a Customer Service Strategy Review Group was formed and tasked to begin reviewing all customer contact across the Council with a focus on how we currently deliver services (face to face, telephone and digital) and looking at the aspirations of how we could deliver differently to ensure we are utilising the most appropriate channels for services/customer contact.</p>	<p>The review group have now finished the initial analysis and met with all portfolio's to determine where change is required. The work carried out by the group has identified a number of areas across the council where the digital offer needs to be improved to enable reduction in both telephone calls and face to face provision for a number of services, examples include, logging repairs and Streetscene general report it type functions. It has also identified tasks that could be better delivered by Connects and release back office efficiencies.</p> <p>The work completed has identified that the delivery of the Customer Service Strategy and the</p>	<p>A Programme Manager to lead this transformation project has now been appointed.</p>

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Tudalen 192		be delivered through Connects without overlap and duplication. Following the review a strategy will be formulated on how services will be delivered in the future.						Customer Workstream of the Digital Strategy need to be closely aligned and also that the scale of the work that needs to be done to deliver the transformation across the council is beyond what the review group can deliver in the timescales required. It has been agreed that a dedicated resource is required to programme manage this transformational project going forward and work is now underway to recruit to this position so that the work required can be driven forward.	
	Flintshire Connects	1514	Services are not always being delivered in the most efficient ways. Services delivered through Flintshire Connects Centres will be evaluated for the most	M	30/09/2017	31/03/2020	21/09/2018	Following this audit and the revision of the Customer Service Strategy a Customer Service Strategy Review Group was formed and tasked to begin reviewing all customer contact across the Council with a focus on	The review group have now finished the initial analysis and met with all portfolio's to determine where change is required. The work carried out by the group has identified a number of areas across the council where the digital



Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Tudalen 193		appropriate, efficient and effective delivery methods.					<p>how we currently deliver services (face to face, telephone and digital) and looking at the aspirations of how we could deliver differently to ensure we are utilising the most appropriate channels for services/customer contact.</p>	<p>offer needs to be improved to enable reduction in both telephone calls and face to face provision for a number of services, examples include, logging repairs and Streetscene general report it type functions. It has also identified tasks that could be better delivered by Connects and release back office efficiencies.</p> <p>The work completed has identified that the delivery of the Customer Service Strategy and the Customer Workstream of the Digital Strategy need to be closely aligned and also that the scale of the work that needs to be done to deliver the transformation across the council is beyond what the review group can deliver in the timescales required. It has been agreed that a dedicated resource is</p>	

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
								required to programme manage this transformational project going forward and work is now underway to recruit to this position so that the work required can be driven forward.	
Procurement 2016/17 Tudston 194	1649	The supplier performance management template is now available in Proactis for completion by contract officers. Contract officers will receive a reminder from Proactis to use the contract management module. All relevant contract officers should receive notification so they know the supplier performance management template is available and must be used.	M	31/03/2018	31/10/2019	11/03/2019	To promote the current functionality would be counterproductive in light of the need to re-train officers when new product release is launched.	With respect of action 1649, it is still a work in progress, due to awaiting on PROACTIS to develop their product to allow more streamlined functionality to allow performance questionnaires to be undertaken. This has now been done a few weeks ago.  We are also seeking clarifications from the Procurement Manager in how she wants to undertake contract / supplier performance management going forward in the light she is revising the CPRs as well.	

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Procurement 2016/17  Tudalen 195	2010	<p>Council officers are not following CPRs in regard to</p> <ul style="list-style-type: none"> <li>- Not entering contracts above £25K onto Contracts Register</li> <li>- Contract officer state they are unaware of how to send out email reminders for annual PPQ checks</li> <li>- Contract officers state they are unaware on how to enter contractor performance and management information into the PROACTIS system.</li> <li>- There was no supplier performance management template in operation to score contractors in a consistent manner.</li> </ul>	M	31/08/2018	29/03/2019	19/09/2018	<p>The contract management and supplier performance management modules within the PROACTIS Portal is being enhanced with new functionality that will make it easier and more user friendly for officers to undertaken contract and supplier performance reviews. The new modules are due to be launched before the end of this calendar year, hence re-training of officers would be best utilised on the new functionality. Contract Procedure Rules (CPR's is ongoing and reminders are being given to officers of the requirements of populating the contract register etc. A revised date of end of March 2019 has been given to allow for the new PROACTIS modules to be released and a period of time to allow</p>		

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
							for the training to be delivered.		
<b>Housing &amp; Assets</b>									
Housing Applications 1616 Tuddalen 196	1616	The current SARTH policy is under review. Following this, any required changes to procedural notes will be implemented.	M	31/03/2017	31/03/2019	06/03/2019	Comprehensive procedures have been developed and provided to audit. Through November meetings have been held with regional partners to tweak and ensure a consistent approach will be implemented across the partnership.  January date is to allow for the development of some user guides to complement the procedures and linked guidance on affordability to be finalised.  Staff have been trained and are aware of the new procedures so risks are mitigated whilst final sign off is undertaken.	Feedback from the staff consultation/training sessions held has resulted in some minor tweaks and access issues to be resolved but in the main there have been no major changes to the revised procedures and these will now be progressed for final sign off.  Action plan shows that the development of user guides to compliment these procedures will be completed by 25.10.19. It is important that these are in place at the same time as full implementation of new procedures to ensure staff have the correct guidance on how to complete the actions required on the housing	Staff have been made aware of any amendments to the procedures subject to final versions being signed off. This is confirmed within 1:1s and team meetings.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
								<p>system</p> <p>It has therefore been agreed to move to a full implementation date of 01.11.18 to ensure the new procedures are rolled out robustly and correctly.</p>	
<p>SARTH 2017/18</p> <p>Tudalen 197</p>	1995	<p>Controls relating to SLA adherence require enhancement. Investigate system developments through the utilisation of new system codes to assist with the automation of cancellations due to non-receipt of evidence. KPIs to be set to measure adherence to process.</p>	L	29/06/2018	31/03/2019	21/02/2019	<p>Project plan for CRM integration attached with revised completion date of 17th December. The team will then need time to catch up with the actions as per the SLA.</p>	<p>Integration work was delayed and went partially live in early February 2019. There are faults with the implementation and these have been reported to ICT and are being worked through with Capita. The solution implemented still requires further work and therefore released the expected capacity to undertake other duties.</p> <p>Without additional resource it is not possible to fully adhere to SLA timescales and maintain this performance level until the integration work is completed and working</p>	Low risk (green)

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
								correctly.	
DFG 2016/17	2024	The current Private Sector Housing Renewal and Improvement Policy is out of date and was due for review by 30 June 2015. The policy also does not align to current practices in operation within the service. An example of this is the condition of the DFG Relocation Grant where the property must be occupied by the applicant as their main residence for a period of 5 years. Currently there is no process to facilitate the measurement or assessment of this condition.	M	30/06/2018	30/04/2019	13/03/2019	Due to all DFG activities having to be approved by the DFG oversight board, this action date has been extended to facilitate review of all documentation by the board members.	The Policy will be drafted once the service has been realigned and will reflect the recommendations from the WG consultation on Housing Adaptations Service Standards	
DFG 2016/17	2058	Not all DFG applications which have been	M	31/05/2018	31/03/2019	13/03/2019	Due to all DFG activities having to be approved by the DFG oversight	Extensive work has been completed to develop accurate	

Tudalen 198

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Tudalen 199		approved are reflected in the DFG spreadsheet which is utilised to track application progress and budget spend. Internal audit were provided with a list of all approved DFGs which was generated from the FLARE system. This list formed the basis for the sample testing selection.					board, this action date has been extended to facilitate review of all documentation by the board members.	contractor reporting processes and for performance of the service. The new reporting mechanism will be fully implemented ready for the new financial year	
	DFG 2016/17	2079	Contractors are monitored on a case by case basis, however management information is not maintained to provide oversight of all contractor performance including variation of work and costs, timescales for completion, customer	M	31/05/2018	31/03/2019	13/03/2019	Due to all DFG activities having to be approved by the DFG oversight board, this action date has been extended to facilitate review of all documentation by the board members.	All processes have and continue to be reviewed will be fully implemented by the beginning of the new financial year. The final versions will include information regarding expected timescales and budget monitoring and will be in place at the beginning of the new financial year

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
People & Resources		satisfaction survey, etc. Manual spreadsheets have been subsequently developed as the current Flare system does not support reporting capability.							
	Compulsory and Voluntary Redundancies 2016/17	1933	A new database will be formulated after Lotus Notes is closed down and this will have the involvement of HR, IT and Finance to ensure the necessary controls are inbuilt.	M	31/12/2017	29/03/2019	04/02/2019	Yet to finalise ICT solution	New system in testing stage
Compulsory and Voluntary Redundancies 2016/17	1925	The Databases will be reviewed and improved to ensure all appropriate information is captured. Regular reviews will be undertaken to ensure all relevant fields are	M	31/07/2017	29/03/2019	04/02/2019	Awaiting for IT to make necessary changes to system as per follow on notes	New database on trial with HR & OD. Not available electronically to applicants at this stage – VR requests are being manually updated by HR and testing taking place in relation to workflow.	The service are keeping paper records whilst awaiting the new database.



Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		completed and due process is being adhered to.							
<b>Planning and Environment</b>									
Planning Enforcement 2016-17  Tudalen 201	1885	The service will review how enforcement referrals are investigated through process mapping and ensure that consistency exists within the team.  Alternative software providers are also being sought to assist with the process with short, medium and long term digital aims to be agreed by July 2017.	H	31/08/2017	30/04/2019	18/12/2018	The service firstly needs to be restructured and embedded with new policy in use. This may not be completed to late November. Time is then required to review mapping and reflect, plan change to process and implement.	Whilst the structure of the teams and the overall process has been reviewed and changes made, documented procedures have yet to be produced for the team. A process mapping exercise is planned which will further assist Officers in how this work is to be undertaken. Up to date procedures will help ensure compliance and consistency across the service.	As reflected in the update audit report. The two planning assistant posts are now established and the process of registering, plotting, prioritising and acknowledging complaints is fully underway. Standard correspondence in relation to warning letters, enforcements notices and appeals have been developed. Unfortunately as there was a delay to securing funding to procure a new software system ML is reluctant to map processes to a defunct current software system. In October 2018 Asset Programme Board agreed the funding to procure a new system. ML has undertaken

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Tudalen 2012									primary project planning meetings with procurement and IT. The required IT specification for the enforcement process and every other service within development management will be reflected within that IT specification requirement.
	Section 106 - 15/6	285	<p>The Local Planning Guidance Notes are currently being brought up to date to allow continued use of the Unitary Development Plan (UDP). Whilst the UDP has technically expired, the intention is to keep the plan 'alive' for as long as possible.</p> <p>The bulk of the 'comments' from the LPGN consultation process were reported to the</p>	M	31/07/2016	30/06/2019	18/12/2018	<p>The LPG 22, as overarching guidance, can only be updated once all individual LPGs have been updated, and there is still work to be done to update LPG13 (see below).</p> <p>Lastly, as each individual LPG is up to date (except LPG 13) each can be applied to the consideration of planning applications and any developer obligations that arise.</p> <p>The risk in not updating LPG 22 is therefore very low and can be</p>	<p>Follow up audit report 18.5.18: LPGN 22 Planning Obligations (adopted by the Council in February 2007) has not been updated. Discussion with Planning Strategy has suggested that as LPGN 22 acts as a signpost to other planning guidance around developer contributions, it can only be updated once the full suite of planning guidance is in place. LPGN 13, Outdoor Playing Space &amp; New Development, is in the process of being</p>

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Tudalen 203		<p>Planning Strategy Group on 25th February 2016. LPGN 22 will be reviewed as required following the adoption of the updated LPGN's.</p> <p>The updated LPGN's (which are still in the consultation period) will be adopted by 30th April 2016. If it is determined that further update to LPGN 22 is required (in particular to take account of the adoption of LPGN 23, Education Contributions - adopted July 2012) then we could expect the adoption of an updated LPGN 22 by 31st July 2016.</p>					<p>managed in due course once individual LPGs are updated. This must therefore be a 'green' in terms of risk status.</p>	<p>revised. Once the revised planning guidance is adopted LPGN 22 can be updated. Following discussion of the Follow Up audit findings the due date for this Agreed Action has been revised to 31/12/18.</p>	
	Section 106 15/016	313	Update of SPG 13 Open Space	M	31/07/2016	28/02/2019	13/03/2019	The revised SPG has not been completed whist	

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		Requirements					work on the production of the LDP is prioritised.		
Greenfield Valley Trust Follow Up 17/18  Tudalen 204	2195	<ul style="list-style-type: none"> <li>2018-2021 Business Plan to be agreed by the Board of Trustees.</li> <li>Management Agreement to be completed and to be agreed by the Board of Trustees.</li> </ul>	M	31/07/2018	28/09/2018	13/03/2019	Both parties have commented on drafts of the Management Agreement with the Trust now committed to signing the Agreement at their Board Meeting on 7 <sup>th</sup> May. The delay from the revised September 2018 date is a result of the Trust wishing to seek legal advice before they sign a new Agreement		
Pollution Control 2017/18	2048	Not all tasks relating to reviewing planning enquiries for potential statutory nuisance are logged or monitored.	L	31/03/2018	31/05/2019	01/06/2018	Computer system will take a length of time to be agreed upon and implemented, and further impacted by move to Ewloe. Smarter apps for efficient working practices are being considered in the meantime.	I have put in a revised due date of 31/05/2019 for the new computer system. In the meantime they are pursuing ways of working smarter through the purchasing of apps.	
Planning Enforcement 2016-17	1892	Process mapping to be commenced in July 2017 will form the basis of training notes in order for	L	30/11/2017	31/04/2019	18/12/2018	Intended that the restructure will be complete by end of November 2017 then time required to	Officers have been booked onto the waiting list for the Trevor Roberts Association Enforcement residential	Newly appointed enforcement officer for the South Team and the North Team leader have been booked onto the

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Tudalen 205		<p>any officer to be able to use the Flare enforcement system.</p> <p>Completion of training notes November 2017.</p>					<p>complete lean process and set down in procedures for the service to rely on.</p> <p>Restructure completed 1st January 2018. The newly created teams need time to reflect on the processes recorded prior to the restructure and how to change and update these to reflect new and best practice.</p> <p>Following the restructure a Senior Officer has resigned and following interviews the existing Enforcement Officer has been promoted to that role. Further advertisement and interviews took place to appoint a new enforcement officer. This appointment commenced on 30th April 2018. During that time focus has been on dealing with other enforcement actions required.</p>	<p>course since September 2017. The budget for this training is in place, and we are hoping to be advised of our attendance dates soon.</p>	<p>Trevor Robert intensive enforcement training course in February 2019. The North Team enforcement officer remains on the waiting list. Formal training notes for the use of Flare have not yet been produced as time has instead been directly to the pursuit of the new software system.</p>

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
<b>Social Services</b>									
Flying Start Childcare Placements 2015/16  Tudalen 206	1608	Management have agreed the following actions: (a) To review the sessional rate offered to existing providers considering pricing across Wales and what elements the fee will cover. (b) To contact Corporate Procurement to discuss the undertaking of a tender exercise to include support for smaller organisations (c) To review similar processes and paperwork undertaken by other local	M	30/06/2017	01/04/2019	11/02/2019	As advised by Procurement - In agreement with Flying Start Welsh Government Account Manager.	(a) Actioned. A review has been completed of the sessional rates across North Wales. A phased reduction was introduced June 2017 in alignment with the childcare offer too. (b) Actioned. Work is in progress with Procurement. A tender document has been produced. (c) Actioned. A review has been undertaken through the Flying Start Network and best practice examples and lessons learnt are being applied in preparation for procurement. (d) Revised due date. Due to the implementation of the Childcare Offer	The Flintshire model is considered to be exemplar, as Flintshire Flying Start only pay for places booked. There are no block booking for FS childcare places, unlike many other Authorities. Attendance is closely monitored, alongside quality and staff qualification level. This is undertaken by specialist advisory teachers. The monthly payments to Settings is also closely monitored with the necessary audit trail. All Flying Start settings are approved by WG.  Two actions currently being worked on, all others have been actioned for this recommendation:  Undertake tender exercise for the procurement of

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Tudalen 207		<p>authorities in Wales and the viability for using best practice examples in Flintshire.</p> <p>(d) To ensure any tendering exercise is aligned with the Welsh Government 3-4 year old pilot for funded childcare to ensure consistency of rates, and sustainability for childcare settings.</p> <p>(e) Undertake tender exercise for the procurement of childcare placements, to include a briefing and support session</p>						<p>and ensuring stability in the Sector and sufficiency of places for Early Entitlement, Childcare and Flying Start placements the procurement exercise is being delayed until the early implementation childcare offer is completed.</p> <p>(e) Part-actioned. The briefing and support session material is prepared in readiness for a procurement exercise.</p> <p>(f) Successful and unsuccessful settings will be notified within timescale.</p>	<p>childcare placements, to include a briefing and support session with Settings.</p> <p>Notify successful/unsuccessful settings</p>

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		with Settings. (f) Notify successful/ unsuccessful settings							
<b>External</b>									
Pensions Administration 2017/18: Tudor 2018	2180	The KPIs show poor performance and lack of adherence to legal requirements.		30/06/2018	30/06/2019	06/02/2019	Team leaders will continue to monitor the KPIs and assign work accordingly.		
Investment 2016/17	1943	An Operational Plan will be devised to assign roles and responsibilities for the core functions within the Clwyd Pension Fund team. This will assist with the identification of single points of failure within the team. Individuals to be trained outside of their core role in order to facilitate the delivery of service in the event	M	31/12/2017	31/03/2019	14/01/2019	Work is continuing with HR for a revised structure to the section which will accommodate the ongoing needs of the section.  The 2018/19 Business Plan includes a structure review of the Finance Team. Work is still ongoing with HR to finalise the structure and carry out recruitment. This should be substantially complete in Q1 2018 but full completion may take to Q3 2018.	Work is continuing with HR for a revised structure to the section which will accommodate the ongoing needs of the section.	The risks are being managed by outsourcing essential work to third parties.



Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		of long term absence or attrition. Succession planning will also be considered given the relative age of individuals completing these functions relative to retirement age.							

Tudalen 209

Investigation Update

Appendix G

Ref	Date Referred	Investigation Details
<b>1. New Referrals</b>		
1.1	12/02/2019	A referral was received from management relating Houses to Homes Loan.
1.2	02/01/2019	A complaint was received from a service provider in relation to contract variation and termination.
<b>2. Reported to Previous Committees and still being Investigated</b>		
2.1	03/01/2019	A whistleblow was received concerning a Council contract. The investigation is ongoing.
2.2	16/10/2018	A complaint was received concerning the awarding of contracts where there is a potential conflict of interest of a member of staff with a contractor. The investigation is ongoing.
2.3	20/08/2018	An allegation was received concerning the awarding of work to a company being run by a former employee of the Authority. The investigation is ongoing.

Tudalen 210

Internal Audit Performance Indicators

Appendix H

Performance Measure	Qtr 1 18/19 <small>(as at 21/5)</small>	Qtr 2 18/19 <small>(as at 31/10)</small>	Qtr 3 18/19 <small>(as at 2/11)</small>	Qtr 3 18/19 <small>(restated)</small>	Qtr 4 18/19	Target	RAG Rating	
Audits completed within planned time	87%	86%	75%	83%	67%	80%	A	↓
Average number of days from end of fieldwork to debrief meeting	7	11	9	9	9	20	G	→
Average number of days from debrief meeting to the issue of draft report	1	3	2	1	5	5	G	↓
Days for departments to return draft reports	3	16	7	5	9	7	R	↓
Average number of days from response to issue of final report	3	0	0	1	2	2	G	↓
Total days from end of fieldwork to issue of final report	19	33	22	21	30	34	G	↓
Productive audit days	80%	79%	88%	78%	82%	75%	G	↑
Client questionnaires responses as satisfied	100%	100%	100%	100%	100%	95%	G	→
Return of Client Satisfaction Questionnaires	40%	86%	100%	40%	75%	80%	R	↑

Key

R	Target Not Achieved	A	Within 20% of Target	G	Target Achieved
↑	Improving Trend	→	No Change	↓	Worsening Trend

Internal Audit Operational Plan 2017/18 (Carry Forward)

Appendix I

Audit	Internal Audit Priority Rating	Status of Work	Supporting Narrative
<b>Corporate</b>			
Income from Fees and Charges / Efficiency Savings	H	In progress	On hold pending the completion of the consultancy work
<b>Organisational Change 2</b>			
County Hall Campus Working Group	Advice & Consultancy	On going	Attendance at Working Group
<b>People &amp; Resources</b>			
Main Accounting – Accounts Payable (AP) / P2P	Annual	Draft report with Service	Draft report with the Service
<b>Streetscene &amp; Transportation</b>			
Integrated Transport Unit (ITU)	H	Draft report with Service	
Fleet Management	M	Draft report with Service	Additional work requested and currently in progress

Tudalen 212

Internal Audit Operational Plan 2018/19

Appendix J

Audit	Internal Audit Priority Rating	Status of Work	Supporting Narrative
<b>Corporate</b>			
Budget Planning Challenge	H	Not Started	Defer until 2019/20
Business Planning, Risk and Performance Management	H	Not Started	Defer until 2019/20
North Wales Residual Waste Project (FCC)	H	In Progress	Qtr 4
North Wales Residual Waste Project (Lead)	H	Combine	Combine both Lead and FCC audit
Declaration of Interests	H	In Progress	
Clwyd Theatre Cymru (CTC)	H	Complete	
Collaborative / Partnerships Arrangements (CC - Social Services)	M	In Progress	On hold until end of qtr 4
Integrated Impact Assessments	M	Defer	Defer until 2019/20
National Grant Funded Schemes	M	Defer	Defer until 2019/20
Use of Consultants	Annual	Complete	
NWRW - Validation of Local Labour Figures	Advice & Consultancy	Complete	Request to review CNIMs local labour figures
<b>Education &amp; Youth</b>			
Risk Based Thematic Reviews	H	In Progress	
School Funds	H	In Progress	
School Funding Formula (CC - People & Resources)	M	Complete	
Pupil Statistics - Cross Cutting	M	Complete	
Early Entitlement	M	Defer	Defer until 2019/20
Education Grants - Including Education Improvement Grant (EIG) & Pupil Development Grant (PDG)	Annual	Complete	
<b>Governance</b>			
Digital Strategy	H	Combine	Combine with Online Transactions DS
Cloud Computing	H	In Progress	

Tudalen 213

Audit	Internal Audit Priority Rating	Status of Work	Supporting Narrative
Procurement - Contract Monitoring (Joint Working - Denbighshire)	H	In Progress	Qtr 4
Deferred Charges on Properties (CC - Social Services & Planning, Environment & Economy)	H	Complete	
Online Transactions (Digital Strategy) (CC – Strategic Programmes)	H	In Progress	Combine with Digital Strategy – now part of the working group (advisory)
Members Allowances	M	Complete	
Procurement of Hardware & Software	M	Defer	Defer until 2019/20
GDPR	Annual	In Progress	
<b>Housing &amp; Assets</b>			
Welsh Housing Quality Standards (WHQS) Investment Plan	H	In Progress	
CAT – New	H	No longer relevant	No new CAT's
ADM – New	H	Not Started	No new ADM's presently
Property Valuations	H	In Progress	Qtr 4
Right to Buy (buyback) / Home Loans	M	Defer	Defer until 2019/20
Empty Property (Void) Mgt	M	In Progress	Scoped
Travellers	M	Complete	
New Homes - Contract Management	M	In Progress	
Property Maintenance	M	In Progress	
Technology Forge (TF)	M	In Progress	
Supporting People	Grant	Complete	
Council Tax and NNDR	Annual	Complete	
Housing Benefits	Annual	In Progress	
Main Accounting - Accounts Receivable, including Corporate Debt Management (CC - People & Finance)	Annual	In Progress	
Homelessness	Follow Up	Complete	
SARTH	Follow Up	Complete	Interim report issued
<b>People &amp; Resources</b>			
Financial Model, incorporating Collaborative Planning	H	Complete	
P2P – Transfer of Process	H	Complete	

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Audit	Internal Audit Priority Rating	Status of Work	Supporting Narrative
School Funding Formula (CC - Education & Youth)	M	Complete	
Corporate Grants	M	Defer	Defer until 2019/20
Main Accounting - Accounts Payable (AP) and P2P	Annual	In Progress	Qtr 4
Main Accounting - Accounts Receivable (AR), include Debt Management (Cross cutting with Community & Enterprise)	Annual	In Progress	Qtr 4
Main Accounting - General Ledger (GL)	Annual	Complete	Qtr 4
Budget Workforce Group	New	Complete	
Method Statements	New	Complete	
Appraisals	H	In Progress	
Pay Modelling 2018/19	New	Complete	
Exist Packages	New	In Progress	
Project Apple	New	In Progress	
Pay Deal 2019/20	H	In Progress	
Notification of Start, Leavers and Changes to Clwyd Pension Fund	M	Defer	Defer until 2019/20
Annual Leave	M	In Progress	
Occupational Health Unit	M	In Progress	
Payroll	Annual	In Progress	
<b>Planning, Environment &amp; Economy</b>			
Minerals and Waste	H	In Progress	
Corporate Health & Safety – Near Misses, including Plant, Machinery and Work Equipment (CC - Social Services & Streetscene & Transportation)	H	In Progress	
Deferred Charges on Properties (CC - Governance & Social Services)	H	Complete	
Community Safety Partnership	M	Defer	Defer until 2019/20
Bailey Hill	M	Complete	
Planning & Enforcement	Follow Up	Complete	
Disabled Facility Grants (DFGs)	Follow Up	Ongoing	Oversight board
Carbon Reduction Scheme (CRC)	New	Complete	
<b>Social Services</b>			

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Audit	Internal Audit Priority Rating	Status of Work	Supporting Narrative
Children out of County Care & Education	H	In Progress	
Collaborative / Partnerships Arrangements (CC - Corporate)	H	In Progress	
Deferred Charges on Properties (CC - Governance & Community & Enterprise)	H	Complete	
Corporate Health & Safety – Near Misses, including Plant, Machinery and Work Equipment (CC – Planning, Environment & Economy & Streetscene & Transportation)	H	In Progress	
Direct Payments	M	Complete	Nov
Flying Start - WG Funding	M	Defer	Defer until 2019/20
Safeguarding - Children's	M	In Progress	
Social Services Financial Processes	Follow Up	In Progress	
<b>Streetscene &amp; Transportation</b>			
Highways - Cost Recovery	H	In Progress	
Service Efficiency and Income Targets	H	In Progress	
Corporate Health & Safety – Near Misses, including Plant, Machinery and Work Equipment (CC - Planning, Environment & Economy & Social Services)	H	In Progress	
Regional Transport	M	In Progress	
Alltami Stores	Follow Up	In Progress	
Public Burials	New	Complete	
<b>External</b>			
Aura	SLA (20 Days)	In Progress	Qtr 4
NEWydd	SLA (10 Days)	Complete	
<b>Advisory / Project Groups</b>			
Corporate Governance Working Group	Advice & Consultancy	Ongoing	
Accounts Governance Group	Advice & Consultancy	Ongoing	
Annual Governance Statement	Advice & Consultancy	Ongoing	
Council's Constitution	Advice & Consultancy	-	Not required to date
North Wales Residual Waste Project	Advice & Consultancy	Ongoing	

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Audit	Internal Audit Priority Rating	Status of Work	Supporting Narrative
E Procurement Working Group	Advice & Consultancy	Ongoing	
GDPR Working Group	Advice & Consultancy	Ongoing	
County Hall Campus / Relocation/ Working Group	Advice & Consultancy	Ongoing	
Programme Coordinating Group	Advice & Consultancy	Ongoing	
Financial System	Advice & Consultancy	-	Not required this year
<b>Anti-Fraud and Corruption</b>			
National Fraud Initiative (NFI)	Proactive Fraud	Complete	
Review and Update the Counter Fraud Policies and Plans	Proactive Fraud	Complete	
Develop On-line Fraud Reporting Solution	Proactive Fraud	-	
Annual CIPFA Fraud & Corruption Survey	Proactive Fraud	-	
Fraud Risk Awareness	Proactive Fraud	Ongoing	
<b>Audit Developments</b>			
Continue to develop the use of Computer Assisted Audit Tools and Techniques	Development	Ongoing	
Continue to develop and refine the use of Control Risk Self-Assessments	Development	Ongoing	
Develop the use of Root Cause Analysis	Development	-	
Assurance Mapping Exercise	Development	Ongoing	

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Glossary

<b>Risk Based Audits</b>	Work based on strategic and operational risks identified by the organisation in the Improvement Plan and Service Plans. Risks are linked to the organisation’s objectives and represent the possibility that the objectives will not be achieved.
<b>Annual (System Based) Audits</b>	Work in which every aspect and stage of the audited subject is considered, within the agreed scope of the audit. It includes review of both the design and operation of controls.
<b>Advice &amp; Consultancy</b>	Participation in various projects and developments in order to ensure that controls are in place.
<b>VFM (Value For Money)</b>	Audits examining the efficiency, effectiveness and economy of the area under review.
<b>Follow Up</b>	Audits to follow up actions from previous reviews.
<b>New to Plan</b>	Audits added to the plan at the request of management. <b>All new audits to the plan are highlighted in red.</b>
<b>Audits to be Deferred</b>	Medium priority audits deferred. <b>These audits are highlighted in green within the plan.</b>

Tuesday 27 March 2019  
 11:58 AM

# Eitem ar gyfer y Rhaglen 11



## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 27 March 2019
<b>Report Subject</b>	Composition of Audit Committee
<b>Report Author</b>	Internal Audit Manager
<b>Category</b>	Advisory

### EXECUTIVE SUMMARY

The current membership of the Audit Committee comprises seven Councillors and one lay member. All the political groups on the Council are represented with the exception of the New Independents Group.

In November 2018, the Audit Committee's Terms of Reference and Charter were presented to the Constitution and Democratic Services Committee for approval. During the meeting, a question was raised whether the membership of the Audit Committee should be increased. It was proposed a report would be brought to this meeting so that consideration could be given to this question.

### RECOMMENDATIONS

1	Committee to consider whether or not it wishes to recommend to Council, via the Council's Annual Meeting, a change in the current size of the Audit Committee.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE ACTION TRACKING REPORT</b>
1.01	Section 82 of the Local Government (Wales) Measure 2011 and more recently the 2018 CIPFA Publication – Practical Guidance for Local Authorities requires that at least two thirds of the members of an Audit Committee must be Members of the authority. It also requires that at least one member of the Audit Committee is a lay member, however up to one-third of the Committee membership may be lay

	members. Within Flintshire, the composition has included one lay member per each period of Council. The Committee appointed the more recent lay member in 2017.
1.02	The contribution that both lay members (during each period of the Council) has made to the work of the Committee as a member and Vice Chair (in both appointments) has been highly valued and praised by successive Committee Chairs. The Committee may consider that this is as a result of being a lay member and a reason for having a further lay member should the Committee feel there is merit in increasing the size of the Committee.
1.03	The CIPFA Guidance 2018 make reference that “In the local authority sector where membership of the Committee is drawn from elected representatives, the depth of knowledge and experience that is desirable may be harder to achieve with a small number, however, there is a risk that creating a large committee will mean that it is harder to create the necessary focus. There is no consistency in the local government sector on the size of the committee”.
1.04	<p>Currently Flintshire County Council’s Audit Committee has a membership of eight, including one lay member. Whilst the size of the Committee is less than the Council’s Overview and Scrutiny Committees, the size of the Committee is a reflection of the work of the Committee is required to undertake. There has never been an issue with the Committee being quorum.</p> <p>In September 2018, the Committee assessed its own effectiveness and the subject of the Committee’s size was discussed. At this point no action arose to seek to increase the size of the Committee at the Council’s next Annual Meeting.</p>
1.05	To provide some comparison, the composition of other local authorities Audit Committee varies between seven and eighteen members, which include between one and two lay members. Overall the size of the Committee should be appropriate to the tasks they are responsible for.
1.06	Should the Committee now feel there is a need to increase the size of the Committee, any proposed changes to the current size would require a recommendation to County Council, via the Annual Meeting. For an additional lay member, a transparent recruitment process would need to be undertaken.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Lay members are entitled to a payment of £128 per meeting due to the ‘reasonable’ amount of reading required.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Members of the Audit Committee.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None as a result of this report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	None

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.  <b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager <b>Telephone:</b> 01352 702231 <b>E-mail:</b> <a href="mailto:lisa.brownbill@flintshire.gov.uk">lisa.brownbill@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	None.

Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 12



## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 27 March 2019
<b>Report Subject</b>	Action Tracking
<b>Report Author</b>	Internal Audit Manager
<b>Category</b>	Advisory

### EXECUTIVE SUMMARY

The report shows the action points from previous Audit Committee meetings and the progress made in completing them. The majority of the requested actions have been completed, with some still outstanding. They will be reported back to a future meeting.

### RECOMMENDATIONS

1	The Committee is requested to accept the report.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE ACTION TRACKING REPORT</b>
1.01	<p>In previous meetings, requests for information, reports or actions have been made. These have been summarised as action points. This paper summarises those points and provides an update on the actions resulting from them.</p> <p>Full action tracking details within Appendix A.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a result of this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Action owners contacted to provide an update on their actions.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None as a result of this report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Action Points.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.  <b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager <b>Telephone:</b> 01352 702231 <b>E-mail:</b> <a href="mailto:lisa.brownbill@flintshire.gov.uk">lisa.brownbill@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	None.



**AUDIT COMMITTEE - ACTION SHEET**

Presented Wednesday, 27th March 2019

21 <sup>st</sup> March 2018				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
63	Action Tracking	Report on control issues to be scheduled for a future meeting.	Lisa Brownbill	To be included as part of the annual report summarising areas of control issues for the year.

15 <sup>th</sup> February 2019				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
46	WAO - Annual Audit Letter 2017/18	To circulate a link to WAO reports on the financial position of Welsh councils.	-	Circulated on 18/02/19
47	Risk Management Update	In developing the Council Plan 2019/20, review the wording on the debt level risk to capture a broader range of people who may be impacted outside Council tenants or those on Universal Credit.	Karen Armstrong	The issue has been picked up in relation to Poverty within the Council Plan proposals for 2019/20.

49	Internal Audit Progress Report	To escalate those overdue actions with no responses to the Chief Officer team.	Lisa Brownbill	An email has been sent to all Chief Officers requesting an update for all actions. The outstanding actions report accompanying this email has also been amended to identify when the service provided the last update, if any.
49	Internal Audit Progress Report	To note that names of individuals should not be shown in future reports (p.199).	Lisa Brownbill	Noted. Future progress reports will not include an individual's name.
50	Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan	That subject to the amendments, the updated Corporate Anti-Fraud & Corruption Strategy be agreed.	Lisa Brownbill	The Anti-Fraud and Corruption Strategy is currently being amended to reflect the comments made by Committee.  Once amended this will be presented to the Constitution and Democratic Services Committee and Council for approval.
50	Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan	That the Fraud & Irregularity Response Plan be updated to include the suggestions raised by the Vice Chair at the briefing:  Section 2.6 - remove double negative  Section 8.15 - remove 'where applicable'	Lisa Brownbill	The Fraud & Irregularity Response Plan is currently being amended to reflect the comments made by Committee.  Once amended this will be presented to the Constitution and Democratic Services Committee and Council for approval.
50	Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan	To consider what else could be put in the 'Cabinet Member' box at the top of future reports.	Lisa Brownbill	This line has now been removed from the report.

51	Whistleblowing Policy	To action the suggestions raised by the Vice Chair at the briefing.	Lisa Brownbill	The Whistleblowing Policy is currently being amended to reflect the comments made by Committee. Once amended this will be presented to the Constitution and Democratic Services Committee for approval.
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Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 13



## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 27 March 2019
<b>Report Subject</b>	Forward Work Programme
<b>Report Author</b>	Internal Audit Manager
<b>Category</b>	Advisory

### EXECUTIVE SUMMARY

The Audit Committee presents an opportunity for Members to determine the Forward Work Programme of the Committee of which they are Members. By reviewing and prioritising the Forward Work Programme, Members are able to ensure it is Member-led and includes the right issues. A copy of the Forward Work Programme is attached at Appendix A for Members' consideration which has been updated following the last meeting.

The Committee is asked to consider, and amend where necessary, the Forward Work Programme for Audit Committee.

### RECOMMENDATION

1	That the Committee considers the draft Forward Work Programme and approve/amend as necessary.
2	That the Internal Audit Manager, in consultation with the Chair and Vice-Chair of the Committee, be authorised to vary the Forward Work Programme between meetings, as the need arises.

### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE FORWARD WORK PROGRAMME</b>
1.01	Items feed into a Committee's Forward Work Programme from a number of sources. Many items are standard every quarter, six months or annually, and Members can also suggest topics for review by the Committee. Items can also

	be referred by the Cabinet, County Council or Chief Officers.
1.02	In identifying topics for future consideration, it is useful for a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows: <ol style="list-style-type: none"> <li>1. Will the review contribute to the Council's priorities and/or objectives?</li> <li>2. Is it an area of major change or risk?</li> <li>3. Are there issues of concern in governance, risk management or internal control?</li> <li>4. Is it relevant to the financial statements or financial affairs of the Council?</li> <li>5. Is there new government guidance or legislation?</li> <li>6. Is it prompted by the work carried out by Regulators/Internal Audit?</li> </ol>
1.03	There has been no changes to the Forward Work Programme since the Committee met in February.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a result of this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Publication of this report constitutes consultation.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None as a result of this report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A - Draft Forward Work Programme.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None. <p><b>Contact Officer:</b> Lisa Brownbill Internal Audit Manager</p> <p><b>Telephone:</b> 01352 702231</p> <p><b>E-mail:</b> <a href="mailto:lisa.brownbill@flintshire.gov.uk">lisa.brownbill@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
	<b>WAO, Wales Audit Office</b> works to support the Auditor General as the public

sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that the public bodies in Wales understand how to improve outcomes.

**Public Sector Internal Audit Standard (PSIAS)** A set of standards that all Internal Audit teams working in the public sector must comply with.

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**AUDIT COMMITTEE - FORWARD WORK PROGRAMME 2018/19**Presented to Committee – Wednesday, 27<sup>th</sup> March 2019

Meeting Date	Agenda Item	Author
<b>27<sup>th</sup> March 2019</b>	Treasury Management 2018/19 Q4 Update	Paul Vaughan
	Audit Plan (WAO)	WAO
	Annual Report on External Inspections 2018	Karen Armstrong
	Certification of Grants and Returns Report (WAO)	Gary Ferguson
	Internal Audit Strategic Plan 2019/2022	Lisa Brownbill
	Public Sector Internal Audit Standards Compliance 2018/19	Lisa Brownbill
	Internal Audit Progress Report 2018/19	Lisa Brownbill
	Audit Committee Action Tracking	Lisa Brownbill
	Forward Work Programme	Lisa Brownbill
	<b>5<sup>th</sup> June 2019</b>	Draft Annual Governance Statement
Annual Improvement Report (WAO) (2018/19) (last reported		Karen Armstrong

Meeting Date	Agenda Item	Author
	Nov 18) Contract Management Internal Audit Annual Report 2018/19 Internal Audit Progress Report 2019/20 Audit Committee Action Tracking Forward Work Programme	Gareth Owens Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill
<b>10<sup>th</sup> July 2019</b>	Treasury Management 2019/20 Q1 Update and Annual Report 2018/19 Supplementary Financial Information to Draft Statement of Accounts 2018/19 Risk Management update 2019/20	Liz Thomas Liz Thomas Karen Armstrong
<b>September 2019</b>	School Reserves – Annual Report on School Balances Statement of Accounts 2018/19 Internal Audit Progress Report Audit Committee Action Tracking Forward Work Programme	Clare Homard / Lucy Morris Gary Ferguson Lisa Brownbill Lisa Brownbill Lisa Brownbill

Meeting Date	Agenda Item	Author
<b>November 2019</b>	Asset Disposals and Capital Receipts Treasury Management 2019/20 – Mid Year Report Risk Management Update – Mid Year Report Financial Procedural Rules (Biennial) Use of Consultancy Report Internal Audit Progress Report 2019/20 Audit Committee Action Tracking Forward Work Programme	Neal Cockerton Liz Thomas Karen Armstrong Sara Dulson Colin Everett Lisa Brownbill Lisa Brownbill Lisa Brownbill
<b>January 2020</b>	Treasury Management 2019/20 Q3 Update and 2020/21 Strategy Risk Management Update Code of Corporate Governance Annual Audit Letter Internal Audit Progress Report 2019/20  Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan	Liz Thomas  Karen Armstrong Karen Armstrong Gary Ferguson / Paul Vaughan Lisa Brownbill Lisa Brownbill

Meeting Date	Agenda Item	Author
	Whistleblowing Policy	Lisa Brownbill
	Audit Committee Action Tracking	Lisa Brownbill
	Forward Work Programme	Lisa Brownbill