

Pecyn Dogfen Gyhoeddus



Swyddog Cyswllt:
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At: Cyng Chris Dolphin (Cadeirydd)

Y Cynghorwyr: Janet Axworthy, Geoff Collett, Andy Dunbobbin, Patrick Heesom,
Paul Johnson ac Arnold Woolley

Aelodau Cyfetholedig:

Sally Ellis ac Allan Rainford

Dydd Iau, 18 Mawrth 2021

Annwyl Gynghorydd

HYSBYSIAD O GYFARFOD ANGHYSBELL
PWYLLGOR ARCHWILIO
DYDD MERCHER, 24AIN MAWRTH, 2021 AM 10.00 AM

*** Mae'r rhaglen hon yn destun cyfyngiadau o ran cynnwys oherwydd Cyfnod yr Etholiad sy'n dechrau ar Dydd Llun 22 Mawrth ac yn dod i ben ar Dydd Sul 9 Mai 2021.**

Yn gywir

Robert Robins
Rheolwr Gwasanaethau Democrataidd

Sylwch: Bydd hwn yn gyfarfod dros y we a bydd 'presenoldeb' wedi'i gyfyngu i Aelodau'r Pwyllgor a'r Aelodau hynny o'r Cyngor sydd wedi gofyn i Bennaeth y Gwasanaethau Democrataidd am wahoddiad. Y Cadeirydd fydd yn penderfynu a yw'r rhain yn cael siarad ai peidio.

Bydd recordiad o'r cyfarfod ar gael i'w weld ar-lein cyn pen 48 awr o'r cyfarfod yn <https://flintshire.public-i.tv/core/portal/webcasts>

Os oes gennych unrhyw ymholiadau, cysylltwch ag aelod o'r Tîm Gwasanaethau Democrataidd ar 01352 702345.

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 27 Ionawr 2021.

4 DIWEDDARIAD CHWARTER 4 RHEOLI'R TRYSORLYS 2020/21 (Tudalennau 13 - 26)

Adroddiad Rheolwr Cyllid Corfforaethol - Aelod Cabinet dros Gyllid

Pwrpas: Mae'r adroddiad yn rhoi diweddariad ar faterion sy'n ymwneud â Pholisi, Strategaeth ac Arferion Rheoli Trysorlys y Cyngor hyd at ddiwedd mis Chwefror 2021.

5 DIWEDDARIAD RHEOLI RISG (Tudalennau 27 - 32)

Adroddiad Prif Weithredwr - Arweinydd y Cyngor ac Aelod Cabinet Addysg

Pwrpas: I gefnogi'r Protocol Uwchgyfeirio Risg o fewn y fframwaith rheoli risg.

6 CYNLLUN ARCHWILIO ARCHWILIO CYMRU 2021 (Tudalennau 33 - 54)

Adroddiad Prif Weithredwr, Rheolwr Cyllid Corfforaethol -

Pwrpas: Adolygu Cynllun Archwilio - Archwilio Cymru 2021 ar gyfer y Cyngor sy'n nodi'r gwaith archwilio arfaethedig ar gyfer y flwyddyn, yn ogystal ag amserlen, costau a'r timoedd archwilio sy'n gyfrifol am gynnal y gwaith.

7 SICRWYDD RHEOLEIDDIO ALLANOL (Tudalennau 55 - 76)

Adroddiad Prif Weithredwr -

Pwrpas: Cefnogi'r crynodeb o'r holl adroddiadau rheoleiddio allanol a dderbyniwyd yn ystod 2019/20 ynghyd ag ymateb y Cyngor.

8 **ADOLYGIAD O GYFANSODDIAD Y CYNGOR / CYLCH GORCHWYL Y PWYLLGOR ARCHWILIO** (Tudalennau 77 - 90)

Adroddiad Rheolwr Archwilio Mewnol -

Pwrpas: Ceisio cymeradwyaeth y Pwyllgor Archwilio i newid enw Pwyllgor Archwilio'r Cyngor a chynnwys swyddogaethau newydd yng nghylch gorchwyl presennol y Pwyllgor a ail-enwyd.

9 **CYNLLUN STRATEGOL ARCHWILIO MEWNOL** (Tudalennau 91 - 110)

Adroddiad Rheolwr Archwilio Mewnol -

Pwrpas: Cyflwyno'r Cynllun Archwilio Mewnol arfaethedig ar gyfer 2021/22 - 2023/24 er ystyriaeth yr Aelodau.

10 **SAFONAU ARCHWILIO MEWNOL Y SECTOR CYHOEDDUS** (Tudalennau 111 - 170)

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.

11 **ADRODDIAD CYNNYDD ARCHWILIO MEWNOL** (Tudalennau 171 - 216)

Adroddiad Rheolwr Archwilio Mewnol -

Pwrpas: Cyflwyno diweddariad i'r Pwyllgor ar gynnydd yr Adran Archwilio Mewnol.

12 **OLRHAIN GWEITHRED Y PWYLLGOR ARCHWILIO** (Tudalennau 217 - 222)

Adroddiad Rheolwr Archwilio Mewnol -

Pwrpas: Rhoi gwybod i'r Pwyllgor am y camau gweithredu sy'n codi o'r pwyntiau a godwyd mewn cyfarfodydd Pwyllgor Archwilio blaenorol.

13 **RHAGLEN GWAITH I'R DYFODOL** (Tudalennau 223 - 230)

Adroddiad Rheolwr Archwilio Mewnol -

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

Sylwch, efallai y bydd egwyl o 10 munud os yw'r cyfarfod yn para'n hirach na dwy awr.

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 3

AUDIT COMMITTEE 27 JANUARY 2021

Minutes of the meeting of the Audit Committee of Flintshire County Council held as a remote attendance meeting on Wednesday, 27 January 2021

PRESENT: Councillor Chris Dolphin (Chair)

Councillors: Janet Axworthy, Geoff Collett, Andy Dunbobbin, Patrick Heesom, Paul Johnson and Arnold Woolley

Co-opted members: Sally Ellis and Allan Rainford

IN ATTENDANCE:

Councillor Ian Roberts (Leader of the Council and Cabinet Member for Education), Councillor Glyn Banks (Cabinet Member for Finance), Councillor Billy Mullin (Cabinet Member for Corporate Management and Assets), Chief Executive, Chief Officer (Governance), Corporate Finance Manager, Internal Audit Manager, Strategic Performance Advisor, Civic & Member Services Officer and Democratic Services Officer

Interim Finance Manager (Technical Accounting) and Principal Accountant - for minute number 19

Gwilym Bury and Matthew Edwards of Audit Wales

16. DECLARATIONS OF INTEREST

None.

17. MINUTES

The minutes of the meeting held on 18 November 2020 were approved, as moved and seconded by Councillors Dunbobbin and Johnson.

RESOLVED:

That the minutes be approved as a correct record.

18. VARIATION IN ORDER OF AGENDA

The Chair advised that there would be a slight change in the order of business to enable Audit Wales colleagues to participate on agenda item 4.

19. TREASURY MANAGEMENT STRATEGY 2021/22 AND TREASURY MANAGEMENT QUARTER 3 UPDATE 2020/21

The Interim Finance Manager (Technical Accounting) presented the draft Treasury Management Strategy 2021/22 for review and recommendation to Cabinet, along with the quarterly update on Treasury Management activities for 2020/21 for information.

A number of minor changes had been made to the Strategy, mainly arising from the impact from the national emergency situation. The prudent approaches to borrowing and investing continued and work was ongoing to meet additional requirements following changes to Welsh Government guidance on investments. On the quarterly update for 2020/21, the Interim Finance Manager explained the basis for investment decisions made in the context of transitional Brexit arrangements, and the position on borrowing from the Public Works Loans Board (PWLB) due to changes to lending terms.

In response to questions from Allan Rainford, explanation was given on investment decisions made during the quarter and the option to explore forward starting loans as a future consideration.

Sally Ellis asked about the borrowing strategy and was informed that continued borrowing from the PWLB remained the most flexible and affordable option.

The Interim Finance Manager noted the request by Councillor Johnson for a future briefing session with Members on the Municipal Bonds Agency.

The recommendations were moved by Councillor Johnson and seconded by Sally Ellis.

RESOLVED:

- (a) That having reviewed the draft Treasury Management Strategy 2021/22, the Committee has no specific issues to be reported to Cabinet on 16 February 2021; and
- (b) That the Treasury Management 2020/21 quarterly update be noted.

20. CODE OF CORPORATE GOVERNANCE

The Chief Executive introduced a report on the annual review of the Code of Corporate Governance prior to consideration by the Constitution & Democratic Services Committee in March. No substantial changes had been made to the previous version for 2020/21.

The Internal Audit Manager drew attention to Section 2 of the document detailing governance arrangements during the emergency situation.

The Chief Executive noted Councillor Johnson's suggestion for this section to form part of an appendix to future versions of the Code to retain learning from the national emergency.

In response to Councillor Heesom's comments on Member involvement with the 2020/21 Annual Governance Statement, arrangements were in hand to plan the workshop with the six nominated individuals as agreed at the previous meeting.

Sally Ellis spoke about the potential to expand on principle E (developing the Council's capacity) to reflect on learning from the national emergency. The Chief Executive said that capacity and resilience could be more clearly referenced in the next version of the Code.

Officers responded to a number of points raised by Allan Rainford on the procurement of additional technology used during the emergency situation and the review of non-essential spend to help mitigate the overall projected overspend. On the work of the Internal Audit team, the officers gave examples of advisory work and 'real-time' audit work undertaken to give assurance on decision-making during that period. The Chief Executive commented that this advisory work had been invaluable.

The recommendation was moved by Councillor Johnson and seconded by Allan Rainford.

RESOLVED:

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

21. ANNUAL AUDIT SUMMARY FOR FLINTSHIRE COUNTY COUNCIL 2019/20

The Chief Executive presented the Annual Audit Summary for 2019/20 (formerly the Annual Improvement Report and Annual Audit Letter) which summarised the findings of audit and regulatory work previously undertaken at the Council by Audit Wales (AW). Overall this was a positive report with no formal recommendations made during the year. There were new proposals for improvement and proposals for development arising from three of the reviews.

Matt Edwards and Gwilym Bury from AW provided explanation on the new format and thanked officers and Members for their positive feedback.

Sally Ellis and Allan Rainford raised questions about reference to the Council's 'high risk' financial strategy within the findings of the AW report on financial sustainability across Wales. The Chief Executive agreed that the wording of AW was fair and reasonable. He said that the strategy had been successful in balancing the budget and protecting the resilience of services, despite the additional spend and lost income from the emergency situation. Given that the Council had demonstrated modernisation with no efficiencies of scale remaining, the expectation was to share risks with Welsh Government and seek adequate funding to meet requirements. The recommended approach for 2021/22 would be to balance the budget without use of reserves, with a small supplement allocated to reinstate reserves used during the emergency situation.

As Leader of the Council, Councillor Roberts outlined the key principles in setting the Council's budget without compromising reserves or spend on services.

On the findings of the AW report on financial sustainability, Councillor Johnson raised concerns about consistency across all Welsh councils. The Chief Executive said that officers worked with AW colleagues on the content of draft reports and that the wording used for Flintshire reflected its low funded position in Wales and its commitment to protect the resilience of services. Services would have been at risk if the Council had not followed the path of this high-risk strategy.

This was acknowledged by Matt Edwards who said that the report recognised the different approach adopted by the Council and the challenging position in balancing the budget whilst maintaining the quality of services. In noting the comments, he and Gwilym Bury gave assurance on a consistent method of preparing reports for all councils in Wales.

Councillor Banks spoke in support of the terminology which acknowledged that the Council would not compromise services in the context of its low funded position.

The recommendation was moved and seconded by Councillors Axworthy and Dunbobbin.

RESOLVED:

That the Committee is assured by the Auditor General for Wales' Annual Audit Summary report for 2019/20.

22. LOCAL GOVERNMENT & ELECTIONS (WALES) BILL

The Chief Officer (Governance) presented a report on the Local Government (Wales) Bill to reform local government elections, democracy, performance and governance. Since publication of the report, the Bill had become an Act, having recently been given Royal Assent.

The Chief Officer summarised the changes directly affecting the Audit Committee; namely the revised terms of reference which would come into effect this year and changes to the membership to be implemented from 2022. The proposals had been approved by the Council on 26 January.

The Chief Executive said that the Council's offer to take part in the pilot self-assessment with the Welsh Local Government Association (WLGA) reflected its strong performance evidenced on regulatory reports.

In response to Sally Ellis highlighting the importance of training to enable the Committee to undertake its new responsibilities, the Chief Officer gave assurance of engagement with the Committee throughout the introduction of the changes.

Councillor Johnson raised concerns about elected Member representation on the new Governance & Audit Committee. His concerns were shared by Councillor Roberts and also by Councillor Dunbobbin who proposed that a letter be sent to Welsh Government to express concerns about the requirement for the

new Governance & Audit Committee to appoint lay members as both its Chair and Vice-Chair. This was seconded by Councillor Heesom.

During the debate, the Chairman and Members recognised the valuable contributions of current lay members on the Committee but expressed concerns about the role of elected Members. The Chief Officer advised that whilst the Committee could make representations, the Act would remain unchanged and that the resolution reflected the legal requirement to comply with the new regulations despite any concerns (as resolved when the item was considered at County Council).

On that basis, the revised recommendations were moved and seconded by Councillors Dunbobbins and Johnson.

RESOLVED:

- (a) That the briefing report be received;
- (b) That the Committee notes the constitutional and other implications of the Act, and supports internal plans for their implementation as necessary; and
- (c) *That officers liaise with the Chairman to write to Welsh Government to express the Committee's concerns on the requirement to appoint lay members as both Chair and Vice-Chair of the Governance & Audit Committee.*

NB After the meeting the Chief Officer (Governance) confirmed that the Vice-Chair of the Committee could be an elected member. The Committee therefore agreed that resolution (c) did not need to be actioned.

23. RECRUITMENT OF A LAY MEMBER TO THE AUDIT COMMITTEE

The Chief Officer (Governance) presented a report on the recruitment process of an additional lay member to the Audit Committee as required by the Local Government & Elections (Wales) Act.

Although Welsh Government had recently confirmed that the change would not take effect until May 2022, the report was shared at this stage to allow time for the recruitment process to commence later in the year. The recommendations in the report had been approved by County Council on 26 January.

The second recommendation was amended to clarify that two other Audit Committee members would form part of the recruitment panel, as reflected in the Executive Summary. On that basis, the recommendations were moved and seconded by Councillors Johnson and Axworthy.

RESOLVED:

- (a) That one additional lay member be recruited to the Audit Committee in place of an elected member with effect from May 2022; and

- (b) That the recruitment panel consisting of the Chair of the Council, Chair of the Audit Committee plus the Cabinet Member for Finance and two other Audit Committee members makes a recommendation to Council for appointment.

24. INTERNAL AUDIT CHARTER

The Internal Audit Manager presented a report to consider the outcome of the latest review of the Charter in order to meet legal and regulatory requirements. The changes also reflected arrangements to ensure the independence and objectivity of the Internal Audit team and arrangements to limits of impairment should the Internal Audit Manager undertake other operational responsibilities within the Council.

In response to a question from Sally Ellis, the Internal Audit Manager provided information on her current responsibilities on the Test, Trace & Protect (TTP) service and shared examples of operational duties undertaken by her team to support the Council during the emergency situation.

The Chief Executive gave assurance that use of corporate capacity during the emergency did not compromise the integrity of Internal Audit. He and Councillor Roberts both paid tribute to the Internal Audit Manager and her team for their work during the emergency situation, in particular her lead role for the TTP service.

Allan Rainford welcomed the clarity on arrangements on the independence of Internal Audit and was reassured by explanations on the work being undertaken by the team in response to the emergency situation.

In response to a question from Councillor Johnson, the Internal Audit Manager provided information on the training programme which was an important element of the Internal Audit service.

The recommendation was moved by Councillor Johnson and seconded by Sally Ellis.

RESOLVED:

That the updated Internal Audit Charter be approved.

25. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit Manager presented the regular report showing progress against the Plan, final reports issued, action tracking, performance indicators and current investigations.

Since the last report, there were no Red (limited assurance) reports and only one Amber Red (some assurance) report relating to the Use of Self-Service Collaborative Planning System. An update was also given on movements within the Internal Audit team as set out in the report.

Allan Rainford raised concerns about the number of overdue actions. He accepted the officers' explanations about the impact from the emergency situation and reassurances that the position was being closely monitored and would be escalated if required.

The Chief Executive responded to wider issues on Planning raised by Councillor Heesom and said that the forthcoming Overview & Scrutiny report on Planning Enforcement would be circulated to the Committee.

Sally Ellis sought clarification on the current position with school funds on which the Internal Audit Manager agreed to share an update once assessments had been completed.

On school balances, the Chief Executive spoke about the recommendation for the 2021/22 budget to provide a significant uplift to secondary school budgets to help improve the school deficits position.

In highlighting the importance of maintaining the curriculum, Councillor Roberts spoke about the factors affecting school balances and gave assurance that Education colleagues worked closely with schools on deficit balances.

The recommendation was moved by Councillor Johnson and seconded by Allan Rainford.

RESOLVED:

That the report be accepted.

26. ACTION TRACKING

The Internal Audit Manager presented an update on actions arising from previous meetings. She confirmed that arrangements would be made for the workshop on the Annual Governance Statement and also to start the Committee's self-assessment.

The recommendation was moved and seconded by Councillors Axworthy and Johnson.

RESOLVED:

That the report be accepted.

27. FORWARD WORK PROGRAMME

The Internal Audit Manager presented the current Forward Work Programme for consideration, including movements since the last report.

The recommendations in the report were moved by Councillor Johnson and seconded by Sally Ellis.

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.

28. ATTENDANCE BY MEMBERS OF THE PRESS

There were no members of the press in attendance.

The meeting commenced at 10am and finished at 12.30pm

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Chairman

Eitem ar gyfer y Rhaglen 4



AUDIT COMMITTEE

Date of Meeting	Wednesday, 24 th March 2021
Report Subject	Treasury Management Quarter 4 Update 2020/21
Report Author	Corporate Finance Manager

EXECUTIVE SUMMARY

The Audit Committee is responsible for scrutinising the Council's Treasury Management activity and this report provides an update on matters relating to the Council's Treasury Management Policy, Strategy and Practices 2020/21 to the end of February 2021.

The report details the Council's position in respect of investments and long and short term borrowing at the end of February, provides an update on the economic context and an interest rate forecast.

RECOMMENDATIONS

1	Members review and endorse the Treasury Management 2020/21 quarterly update.
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REPORT DETAILS

1.00	EXPLAINING THE QUARTERLY UPDATE
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 19 th February 2019 the Council approved the Treasury Management Policy Statement 2019/20 – 2021/22 and Treasury Management Practices 2019/20 – 2021/22, following the recommendation of the Cabinet and consideration by the Audit Committee.
1.03	On 18 th February 2020, the Council approved the Treasury Management Strategy 2020/21, following the recommendation of the Cabinet and consideration by the Audit Committee.
1.04	<u>Investments update</u> A schedule setting out the Council's investments at 28 th February 2021 is attached at Appendix 1. The investment balance at this time was £33.2m across 8 counterparties with an average interest rate of 0.01%.
1.05	<u>Borrowing update</u> Appendix 2 shows the Council's long-term borrowing portfolio as at 28 th February 2021, a total of £289.0m with a weighted average interest rate of 4.61%. In May 2018 the Cabinet approved loans to NEW Homes to build or purchase affordable housing for rent. During Quarter 4 one loan of £2.553m was taken out with PWLB to fund the New Homes scheme at Maes Gwern Mold. Appendix 3 shows the Council's short-term borrowing portfolio as at 28 th February 2021, a total of £38.0m with an average interest rate of 0.03%. The Council has a forecast borrowing requirement over and above the additional long-term borrowing already undertaken during the year which will continue into the new financial year. The borrowing strategy in 2020/21 has been to monitor capital expenditure to confirm the Council's long-term borrowing need, ensuring that the Council does not commit to long-term borrowing too early and borrow unnecessarily which will be costly. This is balanced against not compromising the long-term stability of the debt portfolio by securing low long-term interest rates currently available. The amounts of short term borrowing undertaken throughout the year continue to assist in managing liquidity whilst confirming longer term borrowing requirements.

	<p>The borrowing requirement will continue to be reviewed and monitored closely during the remainder of 2020/21 and into 2021/22 with support from Arlingclose, the Council's treasury management advisors.</p>
1.06	<p><u>Economic update received 08/02/2021 (from Arlingclose, Council's treasury management advisors)</u></p> <p>The medium-term global economic outlook has improved with the rollout of vaccination programmes, of which the UK is at the forefront. However, the current imposition of lockdowns and ongoing social distancing measures will increase the economic damage caused by the pandemic.</p> <p>Signs of a slowing UK economic recovery were already evident towards the end of 2020 and there will be a further sharp fall in activity in Q1 2021. Employment is falling despite an extension to support packages and may indeed be lower than suggested by the official measure.</p> <p>While restrictive measures are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021, the end of lockdowns in Q2 will prompt a sharp increase in GDP.</p> <p>The combined effect of Brexit and the after-effects of the pandemic will dampen subsequent economic growth relative to peers, maintain spare capacity and limit domestically-generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.</p> <p>This central bank stance will be mirrored across most developed economies, albeit some, like the Federal Reserve, are closer to monetary tightening than others.</p> <p>Longer-term yields will also remain at low levels, anchored by low central bank policy rates and insipid longer-term inflation expectations. Some upward movement is likely as the global economy returns to a firmer footing, with gilt yields facing upside risks from possible significant US fiscal stimulus. However, there are risks to the downside too, particularly in relation to further virus outbreaks.</p>
1.07	<p><u>Interest rate forecast</u></p> <p>Arlingclose expects Bank Rate to remain at the current 0.10% level. The risks of a Bank Rate cut over the medium term have reduced.</p> <p>The Council's borrowing is linked to Gilt yields which are expected to remain low in the medium term. Shorter term gilt yields may rise marginally as it becomes apparent that the Bank is not likely to reduce Bank Rate further.</p> <p>Longer term yields may face upward pressure due to rising short term inflation, but we expect yields to remain at low levels due to contained long-term inflation expectations.</p>

	Downside risks remain – the damage from the pandemic will have lasting effects and there is the risk of further mutations due to the uneven global rollout of vaccines.
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2.00	RESOURCE IMPLICATIONS
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2.01	Financial implications are set out within this report and supporting appendices; there are no other resource implications directly as a result of this report.
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3.00	CONSULTATIONS REQUIRED / CARRIED OUT
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3.01	Arlingclose Ltd, being the Council's treasury management advisors.
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4.00	RISK MANAGEMENT
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4.01	Risk Management directly addressed within the appendices including identification of risks and measures to mitigate likelihood and impact of risks identified.
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5.00	APPENDICES
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5.01	<ol style="list-style-type: none"> 1. Investment Portfolio as at 28 February 2021 2. Long-term Borrowing Portfolio as at 28 February 2021 3. Short-term Borrowing Portfolio as at 28 February 2021
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6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
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6.01	None
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7.00	CONTACT OFFICER DETAILS
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7.01	Contact Officer: Paul Vaughan – Interim Technical Finance Manager Telephone: 01352 702219 E-mail: paul.vaughan@flintshire.gov.uk
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8.00	GLOSSARY OF TERMS
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8.01	Authorised Limit: A statutory limit that sets the maximum level of external debt for the Council.
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Balances and Reserves: Accumulated sums that are held, either for specific future costs or commitments (known as earmarked) or generally held to meet unforeseen or emergency expenditure.

Bank Rate: The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate".

Basis Point: 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.

Bond: 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.

Capital Expenditure: Expenditure on the acquisition, creation or enhancement of capital assets.

Capital Financing Requirement (CFR): The Council's underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.

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.

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.

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.

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%.

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

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.

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.

IFRS: International Financial Reporting Standards.

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.

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.

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.

Monetary Policy Committee (MPC): A committee of the Bank of England, which meets to decide the Bank Rate. Its primary target is to keep CPI 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.

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.

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.

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

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.

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

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

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.

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.

FLINTSHIRE COUNTY COUNCIL - INVESTMENT PORTFOLIO

At 28th February 2021

APPENDIX 1

Counterparty Name	Amount Invested £m	Start Date	Maturity Date	Interest Rate	Investment Interest £	Type of Investment	Period to Maturity
DEBT MANAGEMENT OFFICE (DMO)	7.0	18/12/20	18/05/21	0.00%	0	UK Government	1-3 months
DEBT MANAGEMENT OFFICE (DMO)	3.0	18/12/20	18/05/21	0.00%	0	UK Government	1-3 months
DEBT MANAGEMENT OFFICE (DMO)	5.0	16/02/21	11/03/21	0.00%	0	UK Government	1 month or less
DEBT MANAGEMENT OFFICE (DMO)	15.0						
ABERDEEN LIQUIDITY FUND	3.0	01/02/21	31/03/21	0.01%	48	MMF	1 month or less
ABERDEEN LIQUIDITY FUND	3.0						
AVIVA INVESTORS	3.0	01/02/21	31/03/21	0.01%	48	MMF	1 month or less
AVIVA INVESTORS	3.0						
BNP PARIBAS SECURITIES SVCS	2.2	23/02/21	31/03/21	0.00%	0	MMF	1 month or less
BNP PARIBAS SECURITIES SVCS	2.2						
CCLA PUBLIC SECTOR DEPOSIT	3.0	06/07/20	31/03/21	0.04%	881	MMF	1 month or less
CCLA PUBLIC SECTOR DEPOSIT	3.0						
FEDERATED INVESTORS (UK)	3.0	03/07/20	31/03/21	0.01%	223	MMF	1 month or less
FEDERATED INVESTORS (UK)	3.0						
LLOYDS BANK	2.0	16/10/20	31/03/21	0.01%	91	UK BANK	1 month or less
LLOYDS BANK	2.0						
NATIONAL WESTMINSTER BANK	2.0	04/01/21	31/03/21	0.01%	47	UK BANK	1 month or less
NATIONAL WESTMINSTER BANK	2.0						
TOTAL	33.2			0.01%	1,337		
PREVIOUS REPORTS TOTALS (31st Jan 2021)	34.0			-0.01%			

Tudalen 21

FLINTSHIRE COUNTY COUNCIL - INVESTMENTS SUMMARISED BY TYPE & MATURITY

At 28th February 2021

APPENDIX 1

Tudalen 22

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)	15.0	45%	5.0	10		
UK Bank	4.0	12%	4.0			
UK Building Society (UK BS)	0.0	0%				
Overseas	0.0	0%				
Local Authorities	0.0	0%	0.0			
CD's	0.0	0%				
T-Bills	0.0	0%				
Money Market Funds (MMF)	14.2	43%	14.2			
Total (£)	33.2		34.0	10.0	0.0	0.0
Total (%)		100%	102%	30%	0%	0%

FLINTSHIRE COUNTY COUNCIL - LONG TERM BORROWING ANALYSIS

At 28th February 2021

APPENDIX 2

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	21/03/25
15/11/01	1,400,000	4.50	63,000	21/03/23
15/11/01	1,350,000	4.50	60,750	21/03/22
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	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
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
06/12/18	10,000,000	2.64	264,000	06/12/68
Total	230,810,621	5.13	11,840,018	

PWLB Fixed Rate Annuity Loans				
06/12/18	7,356,946	2.79	205,259	06/01/63
07/01/20	576,432	3.06	17,639	07/01/60
30/03/20	292,313	2.65	7,746	30/03/60
30/03/20	1,063,165	2.65	28,174	30/03/60
02/11/20	1,406,388	2.55	35,905	02/11/57
09/02/21	2,552,535	1.79	45,690	09/02/58
Total	13,247,779	2.57	340,413	

PWLB Fixed Rate Equal Installment of Principal Loans				
01/04/19	9,000,000	1.65	162,250	01/04/34
13/08/19	6,875,000	1.28	88,000	13/08/37
16/12/20	5,000,000	1.16	58,000	16/12/42
Total	20,875,000	1.41	308,250	

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
Total	18,950,000	4.53	858,095	

Other Government Loans				
08/06/17	74,174	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	21/03/30
20/10/16	400,000	0.00	0.00	21/03/31
04/12/18	61,500	0.00	0.00	01/10/22
27/03/19	1,257,121	0.00	0.00	01/04/29
05/05/20	461,500	0.00	0.00	31/03/26
Total	5,143,423	0	0	

Totals				
Fixed Rate	264,933,400		12,488,681	
Variable Rate	0		0	
LOBOs	18,950,000		858,095	
Other	5,143,423		0	
Grand Total	289,026,823	4.61	13,346,776	

Mae'r dudalen hon yn wag yn bwrpasol

FLINTSHIRE COUNTY COUNCIL - SHORT TERM BORROWING

At 28th February 2021

APPENDIX 3

Counterparty Name	Amount Borrowed £m	Start Date	Maturity Date	Interest Rate	Interest due £	Brokerage due £	Period to Maturity
BLACKBURN WITH DARWEN COUNCIL	5.0	22/01/21	22/04/21	0.03%	370	986	1-3 months
BLACKBURN WITH DARWEN COUNCIL	5.0						
CARMARTHENSHIRE COUNTY COUNCIL	5.0	23/02/21	24/05/21	0.03%	370	986	1-3 months
CARMARTHENSHIRE COUNTY COUNCIL	5.0						
CORBY BOROUGH COUNCIL	5.0	18/12/20	18/03/21	0.03%	370	986	less than 1 month
CORBY BOROUGH COUNCIL	5.0						
CUMBRIA COUNTY COUNCIL	5.0	22/01/21	22/04/21	0.03%	370	986	1-3 months
CUMBRIA COUNTY COUNCIL	5.0						
EREWASH BOROUGH COUNCIL	2.0	18/12/20	18/03/21	0.02%	99	395	less than 1 month
EREWASH BOROUGH COUNCIL	2.0						
GWYNEDD COUNTY COUNCIL	5.0	18/12/20	18/03/21	0.03%	370	986	less than 1 month
GWYNEDD COUNTY COUNCIL	5.0						
NORTH SOMERSET DISTRICT COUNCIL	3.0	18/12/20	18/03/21	0.03%	222	592	less than 1 month
NORTH SOMERSET DISTRICT COUNCIL	3.0						
NORTHUMBERLAND COUNTY COUNCIL	6.0	23/02/21	24/05/21	0.04%	592	1,184	1-3 months
NORTHUMBERLAND COUNTY COUNCIL	6.0						
WEALDEN DISTRICT COUNCIL	2.0	22/01/21	22/04/21	0.03%	148	395	1-3 months
WEALDEN DISTRICT COUNCIL	2.0						
TOTAL	38.0			0.03%	2,910	7,496	

SHORT TERM BORROWING SUMMARISED BY TYPE & MATURITY

At 28th February 2021

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	38.0	100%	15.0	23.0	0	
Total (£)	38.0		15.0	23.0	0.0	0.0
Total (%)		100%	39%	61%	0%	0%

Eitem ar gyfer y Rhaglen 5



AUDIT COMMITTEE

Date of Meeting	Wednesday, 24 th March 2021
Report Subject	Risk Management Update
Portfolio Holder	The Leader
Report Author	Chief Executive

EXECUTIVE SUMMARY

This report updates on the changes to the Risk Management Framework. Following the Audit Committee meeting in November we have added a risk escalation protocol.

RECOMMENDATIONS

1	To note and endorse the escalation protocol.
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REPORT DETAILS

1.00	EXPLAINING THE RISK MANAGEMENT UPDATE
1.01	<p>Following the Audit Committee meeting in November we have concluded work on the risk escalation protocol (attached at Appendix 1).</p> <p>What is the process for dealing with escalation?</p> <ol style="list-style-type: none">1. Accountable officers escalate risk to their respective Senior Management Team when risk cannot be mitigated or its rating managed/lowered2. Senior Management escalate to the Chief Executive Officer/Chief Officer Team if the risk cannot be mitigated or its rating managed/lowered3. The Chief Executive Officer/Chief Officer Team escalate to Cabinet and Overview and Scrutiny where they believe the risk in its current state/predicted state is of corporate significance <p>This update has been added to the Risk Management Framework and User Guide.</p>
1.02	<p>The role of the Audit Committee to ensure that risk management systems and actions are robust.</p> <p>As a more recent development the Council adopted a Recovery Strategy (September 2020). The Strategy is based on risk management. The Overview and Scrutiny Committees have received regular updates on the Risk Registers and Mitigation Actions. Prior to this work a Member Recovery Board was in place (May - September 2020). The Council will be resetting a longer-term Recovery Strategy over the next 3-6 months. Members of the Audit Committee have been sent the set of Risk Registers for reference.</p>
2.00	RESOURCE IMPLICATIONS
2.01	None.
3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Consultation has taken place with Chief Officers, Internal Audit and Audit Wales on the risk escalation process.
4.00	RISK MANAGEMENT
4.01	The subject of this report is risk management.

5.00	APPENDICES
5.01	Appendix 1: Escalation of Risk Protocol
6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None
7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Jay Davies, Strategic Performance Advisor Telephone: 01352 702744 E-mail: jay.davies@flintshire.gov.uk</p>
8.00	GLOSSARY OF TERMS
8.01	<p>Recovery Strategy: the document which sets out the priorities of the Council during the recovery phase following response to the pandemic.</p> <p>Audit Wales: 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>Risk Management - the process of identifying risks, evaluating their potential consequences (<u>impact</u>) and managing them. The aim is to reduce the frequency (<u>likelihood</u>) of risk events occurring (wherever this is possible) and minimise the severity of their consequences (<u>impact</u>) if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p>

Mae'r dudalen hon yn wag yn bwrpasol

Escalation of Risk Protocol

When does a risk need to be escalated?

- When the risk tolerance ¹level is breached – this will be informed by risk evidence²
- When risk mitigation cannot be resolved within the portfolio and;
 - a Council Plan/Strategy priority is compromised and/or
 - service operations or performance will be seriously compromised and/or
 - the financial, legal or reputational position of the Council might be compromised and/or
 - an emergency situation might develop

What is the process for dealing with escalation?

1. Accountable officers escalate risk to their respective Senior Management Team when risk cannot be mitigated or its rating managed/lowered
2. Senior Management escalate to the Chief Executive Officer/Chief Officer Team if the risk cannot be mitigated or its rating managed/lowered
3. The Chief Executive Officer/Chief Officer Team escalate to Cabinet and Overview and Scrutiny where they believe the risk in its current state/predicted state is of corporate significance



¹ Risk tolerance is the level of risk that the Council is willing to accept to achieve its service delivery.

² Risk evidence is used to manage risk, this includes performance indicators, financial data, actions and milestones.

Reassurance of process & management

- Officer 1:1s Chief Officers/line reports with Chief Executive
- Chief Officers to determine if aggregate risk needs to be referred to COT & corporately owned
- Risk Management is a standing item on all Senior Management Team Meetings (SMTs) agendas
- Revised Risk Management user guide 2021 reported to Audit Committee – for periodic reviews.
 - Case studies pulled out and challenged/scrutinised.
- Mid-year and Annual review by Audit Committee – Forward work Programme and Date to be confirmed
 - Mid-year to ensure that the process is robust and effective in risk management.
 - Annual to ensure that developments over time have been captured and included in this document for consistency of approach.
- Periodic review of portfolio risks (operational and strategic)
- Periodic reviews by internal audit

Eitem ar gyfer y Rhaglen 6



AUDIT COMMITTEE

Date of Meeting	Wednesday, 24 th March 2021
Report Subject	Audit Wales (AW) Audit Plan 2021
Report Author	Chief Executive/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.

Audit Wales, being the Council's external auditor, has prepared an audit plan for 2021 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 review the Audit Wales plan.
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REPORT DETAILS

1.00	EXPLAINING THE AUDIT WALES AUDIT PLAN
1.01	The 2021 Audit Plan for Flintshire County Council is attached at Appendix 1 and Audit Wales will be in attendance at the meeting to present the plan.
1.02	The Audit Plan for Flintshire County Council is a combined plan covering; <ul style="list-style-type: none">• Financial audit of the 2020/21 Statement of Accounts• Other audit work relating to North Wales Residual Waste Joint Committee• Performance audit including annual improvement assessment• Certification of grant claims
1.03	The programme of performance audit work in 2020/21 is outlined in paragraphs 20 to 28 and in exhibit 3 in the Audit Wales plan.

2.00	RESOURCE IMPLICATIONS
2.01	Proposed fees charged for the audit work for Flintshire County Council is included in the AW plan as exhibit 5.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	All audit work is carried out on a risk based approach which is covered in detail within the AW's reports.

5.00	APPENDICES
5.01	Appendix 1 - AW 2021 Audit Plan Flintshire County Council

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Gary Ferguson – Corporate Finance Manager</p> <p>Telephone: 01352 702271</p> <p>E-mail: gary.ferguson@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
	<p>Audit Wales: 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>Financial Audit: The annual external audit of the Council’s Statement of Accounts.</p> <p>Financial Year: the period of 12 months commencing on 1 April</p> <p>Material: 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>Statement of Accounts / Final Accounts / Financial Accounts or Statements: 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>

Mae'r dudalen hon yn wag yn bwrpasol

2021 Audit Plan – Flintshire County Council

Audit year: 2020-21

Date issued: March 2021

Document reference: 2285A2021-22

This document has been prepared as part of work performed in accordance with statutory functions.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

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

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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.

Contents

2021 Audit Plan	
About this document	4
My duties	4
Impact of COVID-19	5
Audit of financial statements	5
Performance audit	10
Certification of grant claims and returns	12
Statutory audit functions	12
Fee, audit team and timetable	12

2021 Audit Plan

About this document

- 1 This document sets out the work I plan to undertake during 2021 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

My duties

- 2 I complete work each year to meet the following duties.

Audit of financial statements

- 3 Each year I audit Flintshire County Council's (the Council) financial statements to make sure that public money is being properly accounted for.

Value for money

- 4 The Council has to put in place arrangements to get value for money for the resources it uses, and I have to be satisfied that it has done this.

Continuous improvement

- 5 Under the Local Government (Wales) Measure 2009 (the Measure) the Council has to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General has to assess whether the Council is likely to (or has) met these requirements.
- 6 Some requirements of the Measure will cease during 2021-22 due to changes in legislation arising from the Local Government and Elections (Wales) Act 2021. However, I anticipate that during 2021-22 I will still be required to audit the council's published assessment of its performance that covers the 2020-21 year.

Sustainable development principle

- 7 Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

Impact of COVID-19

- 8 The COVID-19 pandemic continues to have a significant impact across the United Kingdom and on the work of public sector organisations. As in 2020, it is likely to significantly impact on the preparation of the 2020-21 accounts and my financial audit and performance audit work.
- 9 Recent developments in relation to a vaccine programme indicate that the Welsh Government's restrictions on movement and anticipated sickness absence levels are expected to ease through 2021. However, I recognise that there remains significant uncertainty and I understand that many local authorities may not be able to prepare accounts in line with the timetable set out in the Accounts and Audit (Wales) Regulations 2014. As well as the delivery of my statutory responsibilities as the Auditor General, my priority is to ensure the health, safety and well-being of Audit Wales staff, their families and those of our partners elsewhere in the public service at this incredibly challenging time.
- 10 Audit Wales staff will continue to work flexibly to deliver the audit work set out in this plan. In response to the government advice and subsequent restrictions, we will continue to work remotely, building on the arrangements made in 2020, until such time that it is safe to resume on-site activities. I remain committed to ensuring that the work of Audit Wales staff will not impede the vital activities that public bodies need to do to respond to ongoing challenges presented by the COVID-19 pandemic.
- 11 Consequently, while this audit plan sets out an initial timetable for the completion of my audit work, the ongoing uncertainties around the impact of COVID-19 on the sector mean that some timings may need to be revisited. My audit team will discuss any amendments required to the proposed timetable with the Council as the 2021 position becomes clearer.

Audit of financial statements

- 12 It is my responsibility to issue a certificate and report on the financial statements. This includes:
 - an opinion on the on the 'truth and fairness' of the Council's group financial statements for the financial year ended 31 March 2021; and
 - an assessment as to whether the Council's Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with the financial statements and with my knowledge of the Council.
- 13 In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:
 - certifying a return to the Welsh Government which provides information about the Council to support preparation of Whole of Government Accounts;

- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary);
 - auditing the Council’s pension fund accounts (a separate audit plan has been prepared for the audit of the pension fund);
 - the audit of North Wales Residual Waste joint committee; and
 - the certification of a number of grant claims and returns as agreed with the funding bodies.
- 14 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 Audit Committee prior to completion of the audit.
- 15 Any misstatements below a trivial level (set at 5% of materiality I judge as not requiring consideration by those charged with governance and therefore will not report them.
- 16 There have been no limitations imposed on me in planning the scope of this audit.
- 17 I will also report by exception on a number of matters which are set out in more detail in our Statement of Responsibilities, along with further information about my work.

Audit of financial statements risks

- 18 The following table sets out the significant risks I have identified for the audit of the Council.

Exhibit 1: financial statement audit risks

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

Audit risk	Proposed audit response
Significant risks	
<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 [ISA 240.31-33].</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and

Audit risk	Proposed audit response
	<ul style="list-style-type: none"> • evaluate the rationale for any significant transactions outside the normal course of business.
<p>Impact of COVID-19</p> <p>The COVID-19 national emergency continues and the pressures on staff resource and of remote working may impact on the preparation, audit and publication of accounts. There is a risk that the quality of the accounts and supporting working papers, eg around estimates and valuations, may be compromised leading to an increased incidence of errors. Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.</p>	<p>We will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and make arrangements to monitor the accounts preparation process. We will help to identify areas where there may be gaps in arrangements.</p>
<p>The COVID-19 pandemic will have a significant impact on the risks of material misstatement and the shape and approach to my audit. The Welsh Government has made available various funding streams to the Council. In some cases, these monies provide financial support to the Council itself. In other cases, the funds have been administered by the Council, making payments to third parties on behalf of the Welsh Government. The amounts involved are material to the accounts.</p> <p>Examples of audit risks include:</p> <ul style="list-style-type: none"> • Incorrect accounting treatment for COVID-19 funding i.e. principal or agency arrangements; • fraud/error risks; • potential year-end valuation uncertainty; and • estimation of accrued annual leave provisions. 	<p>We will review the funding streams received from the Welsh Government and confirm the appropriate accounting treatment with the Council.</p>

Audit risk	Proposed audit response
Other areas of audit attention	
<p>McCloud judgement</p> <p>In 2015 the Government introduced reforms to public sector pensions, meaning most public sector workers were moved into new pension schemes in 2015.</p> <p>In December 2018, the Court of Appeal ruled that the ‘transitional protection’ arrangements amounted to unlawful discrimination.</p> <p>Consultations on proposed remedies for the Local Government, Police and Fire pensions schemes closed in October 2020. The Government recently announced that the underpin will be the deferred choice model and final details are expected to be published during 2021.</p> <p>The impact of the judgement is likely to have a significant impact on the IAS 19 disclosed liabilities.</p>	<p>My audit team will review the provision previously made in relation to the McCloud judgement and monitor progress on the outcome of the consultation to be applied in the LG pension schemes.</p>
<p>Significant estimates</p> <p>The preparation of the financial statement will involve a number of significant estimates, such as the valuation of the employee benefits under International Accounting Standard 19.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • review the annual assessment made by officers of the basis on which estimates are made and revised in line with the latest information; • 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 • review other documentation held to support estimates and assess the appropriateness of the Council’s judgements made in determining the estimates.
<p>Revaluation of Property, Plant & Equipment</p> <p>Our audit of the Council’s 2019-20 Financial Statements identified a number of errors</p>	<p>We will design audit tests to ensure that the revaluation exercise has been undertaken appropriately and the required revaluations are</p>

Audit risk	Proposed audit response
related to the accounting treatment applied to the revaluation of assets.	correctly accounted for in the 2020-21 financial statements.

Other matters

19 There are two further matters on which my audit team will undertake early work in preparation for the 2021-22 audit.

Exhibit 2: other matters

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

Other matters	
CIPFA/LASAAC has once again deferred the introduction of IFRS 16 until 1 April 2022. The Council will, however, need to undertake considerable work to identify leases, and the COVID-19 pandemic may pose implementation risks.	My team will undertake some early work to review preparedness for the introduction of IFRS 16 Leases.
The Local Government and Elections Act 2021 includes in its provisions the establishment of a Corporate Joint Committee (CJC) to deliver services currently provided by the Council.	My team will undertake an early review of the preparations the Council is making for accounting arrangements related to the transfer of services to the CJC.

Performance audit

- 20 In addition to my Audit of Financial Statements I also carry out a programme of performance audit work to discharge my duties as Auditor General as set out on **page 4** in relation to value for money and sustainable development.
- 21 In response to the pandemic, I have adopted a flexible approach to my performance audit work both in terms of topic coverage and methodology. My work on recovery planning, COVID-19 learning and my assurance and risk assessment work are examples of this. This has enabled me to respond to the fast-moving external environment and provide more real-time feedback in a range of formats.
- 22 For 2021-22, I intend to build on this approach to help enable my work to be responsive and timely, and where possible to share learning more quickly. As part of this approach, I anticipate that a significant proportion of my local performance audit programme will be delivered through the Assurance and Risk Assessment Project, that will be ongoing throughout the year.
- 23 Given the high degree of commonality in the risks facing councils at this time I also intend to deliver a number of thematic projects examining risks common to all councils.
- 24 I have consulted public bodies and other stakeholders on how I will approach my duties in respect of the Wellbeing of Future Generations (Wales) Act 2015. This consultation was extended due to the pandemic.
- 25 In my consultation I have set out and sought views on proposals to:
- a) continue to undertake specific examinations to assess the setting of well-being objectives and how steps are being taken to meet them, respectively;
 - b) integrate the examination of steps alongside value for money studies and local audit work, wherever possible; and
 - c) strengthen and expand the co-ordination of work with the Future Generations Commissioner.
- 26 I will be writing to the 44 public bodies designated under the Act setting out the results of the consultation and how I intend to approach this work over the reporting period 2020-2025.
- 27 In view of the above factors I intend to retain a high degree of flexibility in my local performance audit programme at the Council and will continue to update the Council as the audit programme changes.
- 28 For 2021-22 this work is set out below.

Exhibit 3: Performance Audit Programme 2021-22

This table summarises the performance audit programme for 2021-22

Performance audit programme	Brief description
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	Further details to follow
Improvement reporting audit	Audit of discharge of duty to publish an assessment of performance.
Assurance and Risk Assessment	<p>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.</p> <p>At the Council the project is likely to focus in particular on:</p> <ul style="list-style-type: none"> • financial position; • workforce management and planning; • recovery planning; and • implications of the Local Government and Elections (Wales) Act.
Thematic work “Springing Forward” – Examining the building blocks for a sustainable future	As the world moves forward, learning from the global pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.

Certification of grant claims and returns

29 I have been requested to undertake certification work on Council's grant claims and returns as set out in **Exhibit 4**.

Exhibit 4: summary of grant claim certification work

This table summarises my 2020-21 programme of grant claim certification work

Name of scheme	Total value of claim (based on 2019-20)
Housing Benefit and Authority Tax Subsidy	£29.3 million
Non-Domestic Rates Return	£61.5 million
Teachers' Pensions Return	£15.8 million

Statutory audit functions

30 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.

31 As this work is reactive, I have made no allowance in the fee table below. If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee, audit team and timetable

32 My fees and planned timescales for completion of the audit are based on the following assumptions:

- the financial statements are provided in accordance with a timescale to be agreed taking into account the impact of COVID-19, 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;
- appropriate facilities are provided to enable my audit team to deliver the audit in an efficient manner;
- 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.

33 If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee

34 Your estimated fee for 2021 is set out in **Exhibit 5** and is in line with your actual 2020 fee.

Exhibit 5: audit fee

This table sets out the proposed audit fee for 2021, by area of audit work, alongside the actual audit fee for last year.

Audit area	Proposed fee (£) ¹	Actual fee last year (£)
Audit of accounts ²	196,699	196,699
Performance audit work ³	100,390	100,390
Grant certification work ⁴	35,000-40,000	36,173
North Wales Residual Waste Joint Committee ⁵	550	550
Total fee	335,139	333,812

¹ Notes: The fees shown in this document are exclusive of VAT, which is not charged to you.

² Payable November 2020 to October 2021.

³ Payable April 2021 to March 2022.

⁴ Payable as work is undertaken.

⁵ North Wales Residual Waste Joint Committee.

35 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.

36 Further information on my [fee scales and fee setting](#) can be found on our website.

Audit team

37 The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

Exhibit 6: 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	07789 397018	richard.harries@audit.wales
Matthew Edwards	Audit Manager (Financial Audit)	02920 320663	matthew.edwards@audit.wales
Mike Whiteley	Audit Lead (Financial Audit)	02920 829389	mike.whiteley@audit.wales
Jeremy Evans	Audit Manager (Performance Audit)	07825 052861	jeremy.evans@audit.wales
Gwilym Bury	Audit Lead (Performance Audit)	02920 320500	gwilym.bury@audit.wales

38 The only known threats to independence that I need to bring to your attention relate to Matthew Edwards, the Audit Manager (Financial Audit). A member of Financial Audit Manager's family is employed as a teacher by the Council. As a result, he will not be involved in any work at that school and his involvement in any

other audit work in relation to education will only be permitted following a risk assessment.

- 39 I can confirm that there are no other known threats to the independence of my team members. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

Timetable

- 40 The key milestones for the work set out in this plan are shown in **Exhibit 7**. As highlighted earlier, there may be a need to revise the timetable in light of developments with COVID-19.
- 41 The Public Audit (Wales) Act 2004 provides electors with the right to ask questions and to make objections to the Authority's accounts to the Auditor General. The rights to ask questions and make objections at audit are linked to electors' rights to inspect the accounts that are also set out in the 2004 Act. The current COVID restrictions may impose restrictions on the Authority's ability to facilitate the inspection of accounts. Therefore, we have not yet set a date for the exercise of electors' rights and will continue to monitor the situation before confirming a date with you. We anticipate that we will be in a position to agree a date with you in late May 2021.

Exhibit 7: audit timetable

Planned output	Work undertaken	Report finalised
2021 Audit Plan	January and February 2021	March 2021
Audit of Financial statements work: <ul style="list-style-type: none"> • Audit of Financial Statements Report • Opinion on Financial Statements • Financial Accounts Memorandum 	June to August 2021	September 2021 September 2021 October 2021
Performance audit work:	Timescales for individual projects will be discussed with you and detailed within the specific project briefings produced for each study.	
Grants certification work <ul style="list-style-type: none"> • Housing Benefit 	Autumn/Winter 20201	Autumn/Winter 20201

<ul style="list-style-type: none"> • Non-Domestic rates • Teachers Pensions Return 		
Annual Audit Summary	N/A	December 2021
2022 Audit Plan	January and February 2022	March 2022



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Eitem ar gyfer y Rhaglen 7



AUDIT COMMITTEE

Date of Meeting	Wednesday, 24 th March 2021
Report Subject	External Regulation Assurance
Report Author	Chief Executive

EXECUTIVE SUMMARY

The Council receives regular reports from our external regulators. Under its Terms of Reference, the Audit Committee ensures that effective systems are in place for setting and monitoring actions in response to these reports.

This report covers the national studies and bespoke local work of Audit Wales (AW) and the work of Care Inspectorate Wales and Estyn in 2019/20.

This summary report gives assurance that the regulatory reports have been considered and responded to.

RECOMMENDATIONS

1	To be assured by our response to external regulatory reports.
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REPORT DETAILS

1.00	EXPLAINING THE EXTERNAL REGULATORS AND INSPECTIONS REPORT
1.01	<p>The Local Government (Wales) Measure contains provisions for 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 for local reports issued by external auditors, regulators and inspectors to be tracked and reported to the Audit Committee once a year. This is done to assure the Committee that such reports have been considered and responded to.</p> <p>The Council's reporting protocol sets out the arrangements for a tri-partite system as follows:</p> <ul style="list-style-type: none"> • Cabinet – makes the Executive response to regulatory reports • Overview and Scrutiny – scrutinises the executive response • Audit Committee – assures the governance arrangements <p>The protocol is attached at Appendix 2.</p>
1.03	<p>Where reports by an external auditor, other regulator or inspector contain specific local recommendations 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.</p> <p>It should be noted that there is no requirement to report or respond to recommendations within the AW national study reports, however the Council does respond as good practice under our protocol.</p>
1.04	<p>It is within the Terms of Reference of the Audit Committee to ensure that effective processes are in place for setting and monitoring proportionate and effective action plans. The Audit Committee has the responsibility for ensuring that all audit report recommendations issued by external auditors are implemented where accepted.</p>
1.05	<p>Appendix 1 provides an overview of the reports received from the Audit Wales, Care Inspectorate for Wales and Estyn during 2019/20, and the summary findings and responses from the Council. The status of any actions is shown as follows:</p> <ul style="list-style-type: none"> • Green – on track / completed • Amber – on track, but within acceptable limits • Red – limited progress.

1.06	<p>The Executive response to the following two reports is to be scheduled within the Forward Work Programme for Cabinet and relevant Scrutiny Committees:</p> <ul style="list-style-type: none"> • Well-being of Future Generations Examination 2019-20: Protect and Enhance the Natural Environment (March 2020) • Digital Flintshire Review (May 2020)
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2.00	RESOURCE IMPLICATIONS
2.01	None

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	External reports are considered by Chief Officers and senior managers to determine the actions needed. Cabinet and Overview and Scrutiny Committees perform the roles set out above.

4.00	RISK MANAGEMENT
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>

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

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Jay Davies, Strategic Performance Advisor Telephone: 01352 702744 E-mail: jay.davies@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Audit Wales: 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>Care Inspectorate Wales (CIW): 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>Estyn: 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>

External Regulation 2019/20

Audit Wales

Date	Title	Recommendations / observations	Response status RAG and note
Tudalen 59 Dec 2019	Household Recycling Centres	<p>Report Link: Audit Wales - Household Recycling Centres</p> <p>Proposal for improvement</p> <ul style="list-style-type: none"> The Council should consider how to increase public understanding of recycling and how they can recycle more effectively at HRCs in order to reduce the amount of general non-recyclable waste. 	<p>(GREEN)</p> <p>Response Link: Household Recycling Centres</p> <p>It is therefore proposed to improve recycling awareness and improve the HRC provision through a number of changes which originate from the WAO report:</p> <ol style="list-style-type: none"> 1. Improved recycling information the HRC's 2. Improved recycling information on the Council website 3. The use of social media to promote recycling initiatives/ideas 4. Target areas of low recycling participation to inform of options 5. Improved engagement during service changes 6. Undertake annual customer surveys to gauge user feedback 7. Provide further training to HRC staff 8. Future opening times will be consistent throughout the year 9. Work with local charities to 'adopt' a HRC to promote recycling and wider local engagement <p>The survey also highlighted the concerns of residents in respect of the opening hours of the sites, particularly the fact that the hours change during the winter months. Residents requested regular opening hours throughout</p>

Date	Title	Recommendations / observations	Response status RAG and note
			the year and it is therefore proposed that the opening hours remain the same throughout the year.
March 2020	Financial Sustainability Assessment	<p>Report Link: https://www.audit.wales/sites/default/files/pdf_9_12.pdf</p> <p>None.</p>	<p>Response Link:</p> <p>N/A</p>
Tudalen 60 March 2020	Well-being of Future Generations Examination 2019-20: Protect and Enhance the Natural Environment	<p>Report Link: https://www.audit.wales/sites/default/files/pdf_10_12.pdf</p> <p><u>Opportunities for development</u></p> <p><u>Long term:</u></p> <p>R1 - the Council could demonstrate more comprehensively the long-term benefits the various projects are delivering and the way in which they integrate;</p> <p>R2 - the Local Development Plan aims to deliver this principle, but it is not clear if the public and all partners have accepted the need for greater long-term behavioural change; and</p> <p>R3 - the private sector (for example, landowners and private developers) needs to be encouraged to adopt positive behaviour to support Flintshire's long-term vision for the environment.</p>	<p>(AMBER)</p> <p>Long Term:</p> <p>R1 - Agreed that we need to track benefits as part of these projects and report on their delivery, or otherwise.</p> <p>R2 - Not agreed, It is not the role of Local development plan process to evidence behaviour change. Once adopted, the Annual Monitoring Report of the LDP will evidence compliance with policies.</p> <p>R3 - Agreed. This will be part of the on-going engagement work on our Carbon Reduction / climate Change strategy.</p>
		<p><u>Prevent:</u></p> <p>R1 - given the acknowledged cross-cutting benefits of prevention, the Council could consider the cost benefits of the opportunities for further investment.</p>	<p>(AMBER)</p> <p>Prevent:</p> <p>R1 - Agreed. Work is on-going to develop a programme of renewable project investment opportunities, a cost / benefit analysis will form part of that.</p>
		<p><u>Integration:</u></p>	<p>(GREEN)</p> <p>Integration:</p> <p>R1 - Agreed. This work is being taken forward through the Joint PSB work.</p>

Date	Title	Recommendations / observations	Response status RAG and note
Tudalen 61		<p>R1 - the Council and its PSB partners could consider further modelling the impact of prevention in terms of health benefits for the public and how the wellbeing objectives may impact on the objectives of partners.</p>	
	<p>Collaboration: R1 - although there are some good examples of cross border co-ordination by the Council, such as prevention of coastal flooding work on the Dee estuary, the Council could consider whether collaboration with neighbouring councils in England could be further strengthened building on the Mersey Dee Alliance work.</p>	<p>(GREEN) Collaboration: R1 - Disagree. Collaboration is key to many of the climate change projects which we work on and there is clear evidence of it through work with the NWEAB, MDA, Flintshire PSB and Joint PSB.</p>	
	<p>Involvement: R1 - the Council is taking steps to engage with hard to reach groups and communities and other vulnerable people but further work is needed to involve these groups and those people with protected characteristics; and</p> <p>R2 - greater use of data analytics has the potential to help the Council to target their engagement more effectively.</p>	<p>(GREEN) Involvement: R1 - Agree. This is a key strand identified in our Climate Change Strategy (see above).</p> <p>R2 - Agree. That will be evidenced as part of the Climate Change Strategy.</p>	
May 2020	Digital Flintshire Review –	<p>Report Link: Digital Flintshire</p> <p>Proposals for improvement P1 - The Council should take the opportunity to refresh its Digital Strategy to ensure that it:</p> <ul style="list-style-type: none"> • reflects the current national legislative context and emerging best practice including: <ul style="list-style-type: none"> ○ the principles of the Well-being of Future Generations Act; ○ the principles of the Local Government digital declaration; and ○ the Scottish Government’s Digital First Digital standards or the Welsh Government’s Digital Standards, when these are published. <p>P2 - The Council should take the opportunity to update the Digital Strategy to ensure that:</p>	<p>(GREEN) P1 - The Digital Strategy will be refreshed once the Council has renewed its level of aspiration in light of the rapid evolution of digital services during the lockdown period. As part of that exercise the principles referenced will be included</p> <p>P2 - The suggested updates will be made to the Digital Strategy when it is refreshed so that the document is fully up to date.</p> <p>P3 - The Digital Strategy contains a mix of longer term ambitions which are broadly</p>

Date	Title	Recommendations / observations	Response status RAG and note
Tudalen 62 July 2020		<ul style="list-style-type: none"> • its mapping of the digital actions to the Corporate Themes has not identified any unexpected gaps; • it includes a high level timeframe for the completion of the actions; • it removes actions that have now been completed or are no longer relevant; • it fully reflects the collaborative digital activity that is currently being undertaken with Health and the North Wales Economic Ambition Board; • it fully reflects the Council's approach to actions that will promote the embedding of a digital culture with both staff and citizens; • it updates the wording of the actions to reflect the current context and remove any repetition; and • it reflects any relevant lessons learnt from the Coronavirus crisis <p>P3 - The Council should ensure that the new actions identified during the workshop, such as those around embedding a digital culture and behaviours are integrated into its current digital resource planning and Medium-Term Financial Strategy.</p>	outlined and specific projects that incrementally deliver those ambitions. Resourcing requirements are identified for the specific projects as part of preparing the business plan for their inclusion into the Strategy action plan.
	Rough Sleeping in Wales – Everyone's Problem; No One's Responsibility	<p>Report Link: Rough Sleeping in Wales</p> <p>Recommendations</p> <p>R1 – Intelligent use of data</p> <p>Public bodies and third sector partners should ensure they use data to plan the right future services, and to put in place effective data sharing protocols to ensure they respond effectively and safely to people sleeping rough.</p> <p>We recommend that councils and their partners:</p> <ol style="list-style-type: none"> a) invest in data analytical skills to better understand the current situation and predict future demand to prevent future homelessness; b) review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities effectively; and c) introduce a single data capture and risk assessment process for to help support safe decisions making in dealing with people sleeping rough. 	<p>(AMBER)</p> <p>R1 - Homelessness is a high cost issue as highlighted in the WAO report. In addition Council Funding there is significant grant available through Housing Support Grant which is to be used to address housing support issues and prevent homelessness.</p> <p>Additional funding has been made available this year 2020/2021 to help with the current homelessness crisis and an additional award of £1.87m has been given to Flintshire to bolster existing Housing Support Grant. This provides a total HSG pot of approx. £7.83m.</p> <p>Engagement with partners and service users has been a key part of the development process for our Delivery Plan for 2021/2022 onwards and this delivery plan is being</p>

Date	Title	Recommendations / observations	Response status RAG and note
Tudalen 63			<p>submitted to WGov on the 26th February. The Councils HSG Planning Group approved the Delivery Plan and proposed spend on the 17th February 2021.</p> <ul style="list-style-type: none"> a) Flintshire has developed its Housing Support Grant Delivery Plan using historic demand data. We also propose to engage a partner to deliver some additional data analysis activity with a view to projecting future demand for services. This is to be funded through HSG and is an important piece of work as we move away from the emergency response for covid and into recovery phase. b) A number of data sharing protocols are in place and a full review will be undertaken with local and regional partners in 2021/2022. c) Rough sleeping numbers are down significantly (ZERO 0 @ 19/02/21) following the “all in” approach which is part of the covid emergency health and housing response. Flintshire is seeking to develop a Complex Case Panel in a similar vein to the Social Services’ Early Help Hub Model” for managing not just rough sleeper cases but complex needs and acute homelessness and housing support cases. This will be developed in 2021/2022.

Date	Title	Recommendations / observations	Response status RAG and note
Tudalen 64		<p>R2 - Integrated services to tackle complex needs Because public bodies are responding to people in crisis, they often deal with acute issues in isolation and rarely address the fundamental cause of the crisis. To do this requires public bodies to design and create service delivery models that are responsive.</p> <p>a) We recommend that public bodies use our complex needs self-reflection tool to improve how they can jointly address complex needs in the future (the tool is set out at Appendix 2).</p>	<p>(AMBER) Flintshire is committed to working with our partners to tackle all forms of homelessness and complex housing needs; this includes rough sleeping.</p> <p>Through our Housing Support and Homelessness Forum we engage with a wide range of partners to raise profile of homelessness and ensure consistency of response and understanding of this complex social challenge.</p> <p>Regional partnership working is a significant strength within North Wales and Flintshire is a main partner in the North Wales Homelessness Strategy "People, Homes and Services"</p> <p>We shall be working with a wide range of Regional Partners to undertake the self-assessment process, as we acknowledge that a lot of our important partners such as Housing Associations, Health Board, Police, and Ambulance Service etc. all work on a larger footprint that just Flintshire.</p> <p>The self assessment process will commence in Q4 of 2021-2022 across Flintshire and North Wales and outcomes will feed into future collaborative work at both the local and regional level.</p> <p>In addition to this Flintshire is proposing to complete a piece of work to analyse and establish the cost of homelessness by</p>

Date	Title	Recommendations / observations	Response status RAG and note
			<p>reviewing a small number of complex cases that have been open to Flintshire to build up an overall cost for the Council. We then hope to build on this to engage partners to understand overall cost to the public purse.</p> <p>The WAO Report highlights some of the potential costs of homelessness and we are eager to drill down into this for Flintshire to offer a more detailed picture for ourselves and partners.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 65</p> <p>July 2020</p>	<p>'Raising Our Game' Tackling Fraud in Wales</p>	<p>Report Link: Tackling Fraud</p> <p>Proposals for improvement</p> <p>R2 – Leadership and Culture All public bodies should champion the importance of a good anti-fraud culture and actively promote its importance to give confidence to staff and members of the public that fraud is not tolerated.</p>	<p>(AMBER) R2 - Once the fraud reporting system is live on the Council's website the Whistleblowing policy, Anti-Fraud and Corruption Strategy and Fraud Response Plan will be shared ideally through change exchange.</p> <p>Members will also be trained on their roles and responsibilities under the Whistleblowing Policy and the members Code of Conduct.</p>
		<p>R3 – Risk Management and Framework All public bodies should undertake comprehensive fraud risk assessments, using appropriately skilled staff and considering national intelligence as well as organisation-specific intelligence.</p>	<p>(GREEN) R3 - Fraud is considered as part of the annual audit planning process.</p> <p>Further detailed fraud risk assessments to be undertaken by Internal Audit.</p>
		<p>R4 – Risk Management and Framework Fraud risk assessments should be used as a live resource and integrated within the general risk management framework to ensure that these risks are appropriately managed and escalated as necessary.</p>	<p>(GREEN) R4 - As above will be used as part of the audit planning process to target resources to address area of high risk of fraud.</p>

Date	Title	Recommendations / observations	Response status RAG and note
Tudalen 66			
		<p>R5 - Policies and Training All public bodies need to have a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing and responding to fraud risks.</p>	<p>(GREEN) R5 - In place.</p>
		<p>R6 - Policies and Training Staff working across the Welsh public sector should receive fraud awareness training as appropriate to their role in order to increase organisational effectiveness in preventing, detecting and responding to fraud.</p>	<p>(GREEN) R6 - In place. Internal Audit staff have and continue to attend Counter Fraud Accredited Courses in addition to their professional qualifications. A further Auditor is due to commence CIPFA's Accredited Counter Fraud Specialist Course.</p>
		<p>R7 - Policies and Training Cases where fraud is identified and successfully addressed should be publicised to re-enforce a robust message from the top that fraud will not be tolerated.</p>	<p>(GREEN) R7 - So far there has been minimal areas of fraud. However the latest could be used as an example. This fraud related to the change of supplier payment details.</p>
		<p>R8 - Capacity and Expertise All public bodies need to build sufficient capacity to ensure that counter-fraud work is resourced effectively, so that investigations are undertaken professionally and in a manner that results in successful sanctions against the perpetrators and the recovery of losses.</p>	<p>(AMBER) R8 - Counter fraud and investigative work are two separate aspects. At Flintshire our response to investigating potential fraud is prompt and successful. There is always scope to expand the level of counter fraud we undertake in addition to NFI. Originally planned for 20/21 counter fraud work on Housing Tenants was to be undertaken. This will resume in 21/22.</p>
		<p>R9 - Capacity and Expertise</p>	<p>(GREEN)</p>

Date	Title	Recommendations / observations	Response status RAG and note
Tudalen 67		All public bodies should have access to trained counter-fraud staff that meet recognised professional standards.	R9 - Already in place.
		<p>R10 - Capacity and Expertise</p> <p>All public bodies should consider models adopted elsewhere in the UK relating to the pooling /sharing of resources in order to maximise the availability of appropriately skilled staff.</p>	<p>(AMBER)</p> <p>R10 - This has and will continue to be explored.</p>
		<p>R11 - Tools and Data</p> <p>All public bodies need to develop and maintain dynamic and agile counter-fraud responses which maximise the likelihood of a successful enforcement action and re-enforces the tone from the top that the organisation does not tolerate fraud.</p>	<p>(GREEN)</p> <p>R11 - The Council has a clear Anti-Fraud and Corruption Strategy and Fraud Response Plan. Enforcement of fraud as a criminal offence rests with NWP and is beyond the control of the Council.</p> <p>We would like to see greater recognition of fraud in the public sector by those responsible for the enforcement.</p>
		<p>R12 - Tools and Data</p> <p>All public bodies should explore and embrace opportunities to innovate with data analytics in order to strengthen both the prevention and detection of fraud.</p>	<p>(AMBER)</p> <p>R12 - Within Internal Audit Active Data is already used for data analytics for both the prevention and detection of fraud. There is however always opportunity to enhance the use of this software.</p> <p>To combat council tax fraud, data analytics are already embedded into the Revenues service to ensure single person discounts are only awarded to eligible taxpayers. A comprehensive review of SPD's is undertaken on a bi-annual basis to prevent fraud and assist with detection operations.</p>

Date	Title	Recommendations / observations	Response status RAG and note
Tudalen 68			Fiscal software is also used within Creditors to identify any potential duplicate payments.
		<p>R13 - Collaboration Public bodies should work together, under the Digital Economy Act and using developments in data analytics, to share data and information to help find and fight fraud.</p>	<p>(GREEN) R13 - As a public body we already are part of the National Fraud Initiative where data is shared and analysed in an attempt to identify and fight fraud.</p> <p>Data analytics are deployed to ensure that single person discounts are only awarded to eligible taxpayers. A comprehensive review of SPD's is undertaken on a bi-annual basis to prevent fraud and assist with detection operations.</p>
		<p>R14 - Reporting and Scrutiny Public bodies need to collate information about losses and recoveries and share fraud intelligence with each other to establish a more accurate national picture, strengthen controls, and enhance monitoring and support targeted action.</p>	<p>(GREEN) R14 - We completed this as part of the CIPFA fraud benchmarking.</p> <p>The financial recoveries of SPD fraud cases is captured and monitored as part of the bi-annual review.</p>
		<p>R15 - Reporting and Scrutiny Audit committees must become fully engaged with counter-fraud, providing support and direction, monitoring and holding officials to account.</p>	<p>(GREEN) R15 - This is already in place.</p>
Sept 2020	Pooled Fund Arrangements	<p>Report Link: http://democracy.anglesey.gov.uk/documents/s16514/Additional%20Letter.pdf</p> <p>The Auditor General for Wales undertook a review of the arrangements for North Wales regional pooled fund in relation to care home places for older people. The letter outlines a need to review current arrangements of Pooled Fund Arrangements between all six North Wales Councils and Betsi Cadwaladr University Health Board.</p>	<p>(AMBER) P1 - A review of the current pooled budget arrangements for residential care for older people should be undertaken through the North Wales Regional Pooled Budget Group. All seven partners are represented on the group and can work together to seek further</p>

Date	Title	Recommendations / observations	Response status RAG and note
		<p>There was one Recommendation / Proposal for Improvement:</p> <p>P1 - In respect of the pooled budget arrangement we proposed to both councils that they should engage with partners to review the current pooled budget arrangement for residential care for older people, to ensure that transfers of funds between public bodies have a tangible benefit such as better more integrated commissioning of residential and nursing home care.</p>	<p>clarity and guidance from Welsh Government.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 69 oct 2020</p>	<p>Commercialisation in Local Government: Report of the Auditor General for Wales. October 2020</p>	<p>Report Link: https://audit.wales/sites/default/files/2020-11/Commercialisation-english.pdf</p> <p>R1 - Undertaking commercialisation requires councils to have enough capacity, the right skills and robust but agile systems to be in place. We recommend that councils use our self-evaluation tools to develop a strategy for the extent to which they want to pursue commercialisation.</p> <p>Note: This is not a statutory function but may offer the opportunity to identify ways to support the achievement of corporate strategic objectives.</p>	<p>(AMBER)</p> <p>The Council has already undertaken work to strengthen its commercial approach. This has included a detailed review of income generation opportunities identified across all Portfolios, considering the potential benefits and resources required to deliver them. Continued financial pressures resulting from a prolonged period of austerity, now further exacerbated by the COVID-19 pandemic, means that whilst resources are stretched it is arguably more important than ever for the Council to re-evaluate its commercial strategy, particularly to maximise on any socio-commercial opportunities. That is, utilising a commercial approach to achieve the Council's social strategic objectives. Therefore, it would be beneficial for a self-evaluation to be conducted as a cross organisation activity.</p>

Estyn


Date	Title	Recommendation	Response Link
Tudalen 20 June 2019	Estyn Report: A Report on Flintshire County Council - June 2019	<p>Report Link: https://www.estyn.gov.wales/system/files/2020-08/Flintshire%2520County%2520Council.pdf</p> <p>R1 - Improve outcomes for learners in key stage 4</p>	<p>(GREEN) R1 - Will be addressed through the detailed individual school support plans that are jointly constructed with GwE, the regional school improvement Service. These support plans are regularly monitored by the Senior Manager for School Improvement who will lead on this aspect of the Post Inspection Action Plan.</p>
		<p>R2 - Reduce exclusions and increase attendance in both primary and secondary schools</p>	<p>(GREEN) R2 - Will be led by the Senior Manager for Inclusion and Progression. The focus will be on enhancing the work of the Inclusion Welfare Service and the Youth Justice Service to provide expert support for schools who have the direct responsibility for managing the attendance and inclusion/exclusion of pupils and so headteachers will be engaged in directly supporting this recommendation.</p> <p>The capacity of the Inclusion Service has been increased with the appointment of a Senior Learning Adviser who will provide stronger strategic management of attendance and exclusions within the portfolio team.</p>
		<p>R3 - Improve the ongoing monitoring and evaluation of the few front line education services identified in the report in order to provide more accurate information about the impact of the local authority's work</p>	<p>(GREEN) R3 - Relates to further refinement of the portfolio's self-evaluation processes to achieve more detailed evaluation of the work of specific teams and their impact/effectiveness. This will be led by the Chief Officer, Education and Youth. The main</p>

			<p>outcome anticipated from this recommendation is more strategic analysis of performance and more focused reports to Scrutiny to keep members well informed and be able to continue to hold the portfolio effectively to account.</p>
		<p>R4 - Manage the reduction in school budget deficits more effectively</p>	<p>(AMBER) R4 - Has been addressed through the development of a specific task group including the Chief Executive, Section 151 Officer, Chief Officer for Education and Youth and the Portfolio Finance Manager. Its focus is on strengthening processes around the management of school deficit budgets and strategically reviewing education funding.</p>

Tudalen 71

Care Inspectorate Wales (CIW)

Date	Title	Recommendation	Response Link
03.08.2020	Care Inspectorate Wales (CIW) Local Authority Performance Review 2019/20 - Annual Letter	<p>Report Link: https://careinspectorate.wales/sites/default/files/2020-07/200803-Flintshire-en.pdf</p> <p>None.</p>	N/A

Date	Title	Recommendation	Response Link
Tudalen 72 Feb 2020	Care Inspectorate Wales (CIW) Local Authority Focused activity in Adult Services	<p>Focused activity – Adults:</p>  <p>CIW - Flintshire Adults Services - Foc</p> <p>The focused activity in Adult Services in February 2020, identified the following area for Improvement:</p> <p>A1 - Ensure there is a record of the risk assessments and decisions on local authority’s case records.</p>	<p>(GREEN)</p> <p>A1 - An amendment has been made to the records management process and case file audits have paid particular attention to risk assessment and the recording of associated decisions.</p>

Date	Title	Recommendation	Response Link
Oct 2019	Care Inspectorate Wales (CIW) Local Authority Focused activity in	<p>Focused activity – Children:</p>  <p>CIW -Flintshire letter following Foc</p>	<p>(GREEN)</p> <p>A1 - The new supervision policy has been launched across all services and the effectiveness of the policy and recording of information in the appropriate locations has been monitored and evaluated through case</p>

Date	Title	Recommendation	Response Link
Tudalen 73	Children's Services	The focused activity in Children's Services during October 2019, CIW identified the following areas for Improvement: A1 - Managers need to ensure themselves of the effectiveness of the implementation of the new supervision policy.	file audits. This action has been replicated in other service areas to ensure consistency in recording linked to supervision.
		A2 - Whilst the service continues to have ongoing discussions with Adult Mental Health, managers must ensure practitioners communicate on individual cases.	(GREEN) A2 - Professional Supervision between case holders and their managers ensures a focus on discussing the detail of adult mental health cases.
		A3 - Managers need to ensure the evidence of the analysis which informs decision making is recorded at the Early Help Hub multi-disciplinary meeting.	(GREEN) A3 - A revised recording mechanism has been put in place to address this. Case file audits have paid particular attention to this area and recorded evidence of improved analysis recording as part of the decision making process.

Information Commissioner's Office (ICO)

Date	Title	Recommendation	Response Link
07.07.2020	Information Commissioner's Annual Report 2019-20	Report Link: https://ico.org.uk/media/about-the-ico/documents/2618021/annual-report-2019-20-v83-certified.pdf None.	N/A

Mae'r dudalen hon yn wag yn bwrpasol

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 and 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

Date of Meeting	Wednesday, 24 th March 2021
Report Subject	Review of the Council's Constitution / Audit Committee's Terms of Reference
Report Author	Internal Audit Manager

EXECUTIVE SUMMARY

In January 2021 a full report was presented to the Audit Committee on the Local Government and Elections (Wales) Bill. In February 2021 this bill received Royal Assent and became the Local Government and Elections (Wales) Act 2021 with some commencement dates following 2 months after Royal Assent.

This paper covers the legislation which will impact on the role of the Audit Committee from April 2021, this being:

- Change the name of the Audit Committee
- Additional functions of the Committee around the review and reporting of the self-assessment and peer assessment of the Council's performance and reporting on the effective handling of complaints.

RECOMMENDATIONS

1	To ask Audit Committee acknowledge the amended the name of the Council's Audit Committee and to include new functions set in the Act within the current Terms of Reference of the renamed Committee.
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REPORT DETAILS

1.00	EXPLAINING REVIEW OF THE COUNCIL'S CONSTITUTION / AUDIT COMMITTEE'S TERMS OF REFERENCE.
1.01	In January 2021 a paper was presented to the Audit Committee on the Local Government and Elections (Wales) Bill. Since this report in January the Bill has received Royal Assent.

1.02	<p>Section 116 – 118 of the Act will commence from April 2021 with the requirement to change the name of the Audit Committee to Governance and Audit Committee. As part of the act there will be additional responsibilities of the Governance and Audit Committee. These are:</p> <ul style="list-style-type: none"> • Review an annual performance self-assessment; • Draft responses to any panel reports; • Review and assess the Council’s ability to effectively handle complaints; and • Make reports and recommendations in relation to the authority’s ability to handle complaints effectively.
1.03	<p>Further changes will be required to the composition of the renamed Governance and Audit Committee in May 2022. These changes include the additional appointment of a lay member and the Chair of the Governance and Audit Committee being a Lay Member.</p>
1.04	<p>The current Committee’s Terms of Reference has been updated to reflect the renaming of the Committee to Governance and Audit Committee, to include the new functions listed above, and to address the changes of the composition of the audit committee from May 2022. For ease of reference Appendix A highlights all changes in bold / red text.</p>
1.05	<p>Once approved the draft Terms of Reference will be presented for consideration and approval to the Constitution and Democratic Services Committee on the afternoon of the 24th March 2021 and County Council on the 1st April 2021.</p>

2.00	RESOURCE IMPLICATIONS
2.01	None.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<p>Consultation over the draft Terms of Reference has taken place with the Chief Executive, Council’s Monitoring Officer and the Democratic Services Manager.</p> <p>Once approved the draft Terms of Reference will be presented for consideration and approval to the Constitution and Democratic Services Committee on the afternoon of the 24th March 2021 and County Council on the 1st April 2021.</p>

4.00	RISK MANAGEMENT
4.01	Not applicable at this stage.

5.00	APPENDICES
5.01	Appendix A – Revised Terms of Reference - changes highlighted in bold / red text

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Local Government and Elections (Wales) Act 2021</p> <p>file:///C:/Users/cscsrjr/Downloads/WLGA%20LG&E(W)%20report%20Nov%202020.pdf</p> <p>Report of the Chief Executive and Chief Officer (Governance) on the Local Government & Elections (Wales) Bill. Council, 28th January 2021 and resultant minute.</p> <p>Contact Officer: Lisa Brownbill, Internal Audit Manager Telephone: 01352 702231 E-mail: Lisa.brownbill@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	None.

Mae'r dudalen hon yn wag yn bwrpasol

GOVERNANCE AND AUDIT COMMITTEE

Terms of Reference

Draft – March 2021

Article 7 - The **Governance and Audit Committee**

7.00 Statement of Purpose:

The terms of reference sets out the **Governance and Audit Committee's** position in the governance structure of the Council.

The **Governance and Audit Committee** is a key component of Flintshire County Council's (the Council's) corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

7.01 Role:

The **Governance and Audit Committee's** role and functions will be to:

- A.** Review the effectiveness of the Authority's systems of corporate governance, internal control, **complaints, performance (self-assessment and peer review)** and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements;
- B.** Oversee the reporting of the statutory financial statement's process to ensure the balance, transparency and integrity of published financial information, and to review the financial statements prepared by the authority and recommend them to County Council; and

Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.
- C.** Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.
- D.** Report to the Council annually, summarising the Committee's activities and recommendations.

A. Corporate Governance, Internal Control, Complaints, Performance and Risk Management

1. Evaluate whether Senior Accountable Officers and service teams are setting the appropriate “control culture” by communicating the importance of internal control and risk management.
2. Consider and assure the annual update of the Code of Corporate Governance against the ‘Delivering Good Governance Framework (Wales)’.
3. Consider and assure the draft Annual Governance Statement and make appropriate recommendations/observations prior to its submission to the Council’s Regulators.
4. Evaluate the overall effective development and operation of the internal control and risk management frameworks and consider whether actions raised by the internal and external auditors have been implemented by Senior Accountable Officers.
5. Review and assure the Risk Management Strategy through regular reports on risk management and business continuity plans, processes and outcomes.
6. Monitor progress in addressing risk related issues reported to the Committee.
7. Consider the Council’s framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
- 8. To review and assess the Council’ ability to effectively handle complaints.**
- 9. To make reports and recommendations in relation to the Council’s ability to handle complaints effectively.**
- 10. To consider the Council’s draft Annual Performance Self-Assessment report and if necessary make any recommendations for changes to the Council.**
- 11. To receive the Council’s finalised Annual Self-Assessment report for the respective financial year as soon as reasonably possible after the end of the financial year.**
- 12. At least once during the period between two consecutive ordinary elections of councillors to the Council, consider the independent Panel Performance Assessment report on whether the Council is meeting its performance requirements.**
- 13. To receive and review the Council’s draft response to the report of the independent Panel Performance Assessment and if necessary make recommendations for changes to the statements made in the draft response to the Council.**

14. Keep under review the Council's Anti-Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing Policy and the assessment of fraud risks and potential harm to the Council from Fraud and Corruption.
15. Consider the Council's arrangements to secure value for money and review assurances and assessment on the effectiveness of these arrangements.
16. Receive reports on all fraud identified and any other special investigations, and action taken.
17. Consider how Senior Accountable Officers are held to account for the security of computer systems and applications to protect against computer fraud or misuse.
18. Ensure the rigorous application of the agreed protocol for the reporting and decision making over business cases for collaborative projects, the management of the transition for approved collaborations, and the subsequent performance management arrangements for the new collaborative services.
19. Obtain regular updates from Senior Accountable Officers and legal advice regarding compliance matters, and be satisfied that all compliance matters have been considered in preparing the financial statements.
20. The Chair and Vice Chair of the **Governance and Audit Committee** together with the Chairs and Vice Chairs of the six Overview and Scrutiny Committees will attend the Chair and Vice Chair Liaison Group with the primary aim to reduce duplication of work, ensure there is a shared coverage of the Council's risk profile and escalate poor performance between respective Committees.

Appendix A of the Audit Charter provides a diagram of the co-ordination of work between the Overview and Scrutiny Committees and **Governance and Audit Committee**.

B. Financial:

Statutory Financial Statements

1. Receive the draft annual Statement of Accounts, together with the underlying accounting policies for information. Consider and comment on the final statement of accounts following the receipt of the proposed audit opinion from the Wales Audit Office prior to recommending their approval to the Council.
2. Understand the controls and processes implemented by Senior Accountable Officers to ensure the financial statements derive from the underlying financial systems,

comply with relevant standards and requirements, and are subject to appropriate review.

3. Meet with management and external auditors to review the financial statements, the key accounting policies and judgements, significant accounting and reporting issues and their impact on financial reports, and the results of the audit.
4. Ensure that significant adjustments, unadjusted differences, disagreements with Senior Accountable Officers and critical accounting policies and practice are discussed with the external auditor.

Financial Affairs

5. Understand the internal control systems implemented by Senior Accountable Officers and service team for the approval of transactions and the recording and processing of financial data.
6. Gain an understanding of the current areas of greatest risk around financial controls and advise and assure on risk management.
7. Keep under review the Council's financial procedure rules and contract procedure rules and all other corporate directions concerning financial control.
8. Review and assure the Treasury Management Strategy and Policy and consider quarterly updates on Treasury Management and make appropriate recommendations / observations to the Cabinet.

C. Internal and External Audit

1. Keep under review the joint working arrangements of the Council's Internal and External Auditors.

Internal Audit

2. Promote the role of internal audit within the Council, as a key element of its control environment.
3. Review and approve the Internal Audit Charter, outlining the role, scope, independence, authority, responsibility and reporting of the department.
4. Keep under review the organisational structure and resource requirements of the Internal Audit Section and consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the

Internal Audit Manager. To approve and periodically review safeguards to limit such impairments.

5. Make appropriate enquiries of both Senior Accountable Officers and the Internal Audit Manager to determine if there are any inappropriate scope or resources limitations.
6. Review, approve (but not direct) and monitor the delivery of the risk-based internal audit plan, the approach to using other sources of assurance and any work required to place reliance upon those other sources and ensure the plan considers changes arising from Government, Assembly or Council initiatives.
7. Approve significant interim changes to the risk based internal audit plan and resources requirements.
8. Receive summaries of all internal audit reports issued, highlighting key actions with corporate control implications.
9. Consider reports from the Internal Audit Manager on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - Updates on the work of internal audit including key findings, issues of concern including monitoring the implementation of agreed actions contained within internal audit reports, receive report on actions not implemented within good timescales and seek explanations from officers where required.
 - Regular reports on the results of the Quality Assurance Improvement Programme (QAIP);
 - Reports on instances where the internal audit service does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Governance Advice Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the AGS.
10. Receive and consider the Internal Audit Managers annual report:
 - The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
 - The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the

summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement (AGS).

- Keep performance indicators under review and evaluate, on an annual basis, the performance and effectiveness of internal audit and its compliance with best practice.
11. Consider summaries of specific internal audit reports as requested.
 12. Receive reports outlining the action taken where the Internal Audit Manager has concluded that Senior Accountable Officers and service teams have accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.
 13. Contribute to the Quality Assurance Improvement Programme (QAIP) and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
 14. Meet separately with the Internal Audit Manager to discuss any matters that the Committee or internal auditors believe should be discussed privately.
 15. Should the needs arise, arbitrate in the event of any failure to agree between a Senior Accountable Officers and internal audit.
 16. Discuss with the external auditor the standard of work of internal audit.

External Audit and External Regulatory Bodies

External Audit

17. Support the independence of external audit through consideration of the external auditor's annual assessment of its independence.
18. Review the external auditors' proposed audit scope and approach for the current year in the light of the Authority's present circumstances and changes in regulatory and other requirements arising from Government, Assembly or Council initiatives.
19. Ensure that the annual audit is undertaken in compliance with statutory requirements.
20. Receive all audit reports, and the annual audit letter, issued by the external auditor, and ensure that all agreed recommendations are implemented.
21. Consider specific reports as agreed with the external auditor.

22. Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
23. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately. Ensure the auditors have access to the chair of the **Governance and** Audit Committee when required.
24. Review, annually, the performance of external audit and co-ordinate any feed back requested from the Wales Audit Office.

External Regulation: Performance

25. 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. To examine how the organisation manages and spends public money including achieving value in delivery. This work is co-ordinated by the Chief Executive's Business and Communications team and a shared protocol for these working arrangements is in place.
26. To gain assurance and confidence of the Council's response to the external regulatory findings the **Governance and** Audit Committee will:
 - a) Receive periodic reports from external regulators which will include the Council's response to the reports and ensure that effective processes are in place for setting and monitoring against proportionate and effective action plans.
 - b) Receive an annual report collating external regulatory activity on improvement assessment work which is supplemented by local risk based audit work; and
 - c) Receive the Annual Improvement Report from the Auditor General

D. Accountability Arrangements

1. Require the attendance at the Committee of any officer or member, or the submission of a report from any officer, to provide further explanation in connection with any of the above terms of reference.
2. Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.
3. The Committee must meet at least once a year and must also do so if the Council decides or if at least a third of the Committee's members require a meeting. Beyond those requirements the Committee can meet whenever it likes.

4. The **Governance and** Audit Committee will keep the above terms of reference under annual review and propose any amendment to the County Council.
5. Report to full council and publish an annual report on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

7.02 Composition

1. The Chair and Vice-Chair of the **Governance and** Audit Committee will be chosen by the Committee itself at its first meeting following each annual general meeting. The Chair and Vice Chair of the **Governance and** Audit Committee will be chosen from amongst the opposition group(s), non aligned Councillors or lay member on the Council (that is to say from amongst the group(s) none of whose members are included in the Cabinet). **From May 2022 the appointment of the Chair must be from one of the Lay Members appointed to sit on the Committee.**
2. The County Council shall appoint **two (three from May 2022) people** who **are** neither a serving Councillor nor an officer of the County Council or any other Council to serve as a lay members of the Committee with full voting rights. The lay member's term of office shall be from the first County Council meeting following the annual general meeting following the County Council elections until the first County Council meeting after the annual general meeting following the next County Council elections. No more than one member of the Committee shall be on the Council's Cabinet. The Council Leader cannot be a member of the Committee.
3. It is the express wish of the Council that there should be continuity of membership of the **Governance and** Audit Committee so as to build up a body of expertise and maintain a consistency of approach.
4. In recognising the express wish of the Council, but observing the requirements of the legislation for political balance, the **Governance and** Audit Committee will comprise seven **(six from May 2022)** Members with the seats allocated in accordance with the legislation to the appropriate political groups and one lay member. Any proposed substitution shall comply with Council Procedure Rule 22.4 and the proposed substitute shall have attended relevant training. Substitutes will only be permitted where the **Governance and** Audit Committee, at the commencement of its meeting, agrees that good reasons exist for substitution.
5. Members will receive induction training on appointment to the Committee. Ongoing training will be provided as necessary to meet the requirements of the Committee, based on the skills and experience of the members.
6. The business of the Committee shall be conducted apolitically.

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 9



AUDIT COMMITTEE

Date of Meeting	Wednesday, 24 March 2021
Report Subject	Internal Audit Strategic Plan
Report Author	Internal Audit Manager
Type of Report	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 2021/22. 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">• Does the three year plan for Internal Audit as set out in Appendix A reflect the areas that the Committee believe should be covered?• Does the first year of the plan reflect the areas that should be prioritised?• Is the level of audit resources accepted by the Committee and agreed as appropriate, given the level of assurance required?
2	<p>The Committee is required to approve the Flintshire Internal Audit Strategic Plan for 2021-2024.</p>

REPORT DETAILS

1.00	EXPLAINING THE INTERNAL AUDIT STRATEGIC PLAN
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 Flintshire Internal Audit plan, which is attached, takes into account the Council's 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 Audit Wales (AW). 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 2021/22 has been formulated for the current level of resources, 1,037 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 2021/22. Those medium priority audits will be kept under constant review during quarterly meetings with Chief Officers and their management teams, AW 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>Where still relevant those audits deferred in 2020/21 have been included within the 2021-24 Internal Audit Strategic Plan.</p>

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

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

4.00	RISK MANAGEMENT
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.

5.00	APPENDICES
5.01	Appendix A – Draft Flintshire Internal Audit Strategic Plan – 2021/2024

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

7.00	GLOSSARY OF TERMS
7.01	<p>Improvement Plan: 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 an Improvement Plan.</p> <p>Audit Wales: 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>Corporate Governance: 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>Wales Chief Auditors Group: An informal meeting group of Chief Auditors to discuss items of mutual interest.</p> <p>Operational Plan: the annual plan of work for the Internal Audit team.</p> <p>Alternative Delivery Models: 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>CAMMS: an integrated planning, risk management and programme/project management and reporting system.</p> <p>Risk Management: 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</p>

the severity of their consequences if they occur. Threats are managed by process of 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
2021/22 –
2023/24

Contents

Section One	Introduction.....	2
Section Two	Roles, Responsibility and Scope	3
Section Three	Resources.....	4
Section Four	Reporting Arrangements.....	5
Section Five	Development of the Strategic Plan.....	6
Section Six	Strategic Plan 2021/22 – 2023/24.....	7

Presented to Audit Committee, 24 March 2021

Section One: Introduction

- 1.1 This document summarises the work undertaken to develop the Internal Audit Strategic Plan for 2021-2024. It covers:
- Role, Responsibilities and Scope of Internal Audit
 - Available Resources
 - Reporting Arrangements
 - Proposed detailed programme of work for 2021/22 and summary of work for 2022/23 – 2023/24

- 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 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 3rd 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 mitigate 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 7.6 FTE auditors giving 1,037 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 Officer 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 targets 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 Manager 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's 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 2021/22-2023/24 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, including the Covid Risk recovery registers
- 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
- Annual Governance Statement
- 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 2020/21

Each area has been assessed and all audits identified as high priority within the plan will be undertaken within the financial year 2021/22 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 and the emergency recovery risk registers.

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

Due to the ongoing pandemic 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 2021/22 – 2023/24

Audit	Outline Scope	Priority	Expected Output	2021 /22	2022 / 23	2023 /24
Corporate						
Organisational Ethics (with HR)	Evaluation of the design, implementation and effectiveness of the Councils ethics related objectives, programmes and activities (PSIAS)	H	Audit Report	■		
Income from Fees & Charges	In conjunction with revising the MTFS ascertain the consolidation and maintenance of the existing Fess & Charges Policy	H	Audit Report	■		
Risk Management	Two part review – (1) to review the effectiveness of the risk management framework in place and (2) to determine the effectiveness of embedding Risk Management within the Portfolios future Business Plans.	H	Audit Report	■		
Education & Youth						
Schools Risk Based Thematic Reviews	To perform six regulatory school audits	H	Audit Report	■		
Schools Budgeted Licensed Deficit	To ensure compliance with the Budgeted Licensed Deficit protocol implemented in 2019/20.	H	Audit Report	■		
Capital Grant Childcare Offer (Governance)	Review of programme governance arrangements.	H	Audit Report	■		
Repairs & Maintenance to School Estate	Review of robustness of processes for ensuring appropriate decision making / allocation of funding to individual schemes.	H	Audit Report	■		
Education Grants – Professional Development Grant (PDG)	To provide assurance on the grant claim preparation and authorisation process.	Annual	Advisory Note	■	■	■
School Funds	To review compliance with school fund regulations; consider any impact on the school budget and review accumulation of funds.	-	Audit Report		■	
Performance Management within Schools	Review of robustness of performance management within schools including compliance with reporting deadlines.	-	Audit Report		■	
Families First	To provide assurance around compliance with funding conditions and criteria.	-	Audit Report		■	
Governance						
Protection against Ransomware Attack	To review how robust arrangements in place are to detect and prevent attacks to the Council's infrastructure through ransomware.	H	Audit Report	■		
Contact Management - Maes Gwern Residential Development	A cross cutting review with Housing & Assets to ensure adequate contract management arrangements are in place between the Council and Wates for the	H	Audit Report	■		

Audit	Outline Scope	Priority	Expected Output	2021 /22	2022 / 23	2023 /24
	residential development of Maes Gwern.					
CCTV (Cross Cutting)	Review of compliance with the findings of the CCTV Surveillance Camera Commissioners findings (cross cutting).	M	Audit Report	■		
Implementation of the Local Government and Elections (Wales) Act 2021	Progress report into the implementation of the Local Government and Elections (Wales) Act 2021.	M	Advisory	■		
Data Protection (GDPR)	Review compliance with the Data Protection Regulations 2018	Annual	Audit Report	■	■	■
Council Tax and NNDR (including 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.	Biennial	Audit Report	■		■
Main Accounting including Corporate Debt Management	Review of effectiveness of debt management processes & procedures (tenants; Council Tax & sundry debt) including adequacy of bad debt provision & capacity to recover increasing levels of debt.	Biennial	Audit Report		■	
Customer Services – Contact Centre	Review of effectiveness of the roll out of the Contact Centre	-	Audit Report		■	
Declaration of Interests	To follow up on the advisory review to examine the effectiveness of the implementation of the Declaration of Interests system across the Council.	-	Audit Report		■	
Cloud Computing	Review to assess the effectiveness of the controls in place to manage risks around cloud computing.	-	Audit Report		■	
Digital Print Service	To examine the effectiveness and efficiency of the Digital Print Service.	-	Audit Report		■	
Procurement	Ensure the new social value model is embedded, effective, measureable and achieving objectives.	-	Audit Report		■	
Housing & Assets						
Landlord Health & Safety Obligations	Compliance review on full range of landlord H&S obligations (Gas, Fire, Asbestos, Legionella) providing assurance on controls, performance and quality of data.	H	Audit Report	■		
Homelessness & Temporary Accommodation	Temporary Accommodation is a key mitigation should levels of homelessness increase. Assurance on how this asset base is managed including controls around leases, rent collection void management and resilience.	H	Audit Report	■		
Rent Income / Arrears Management - Industrial Units	Assurance on actions taken in relation to industrial rent arrears and COVID19 rent holiday. Assurance around arrears management controls and performance t in terms of industrial and commercial rent.	M	Audit Report	■		
Tenancy Enforcement	The Council is unable to enforce tenancy conditions due to current legal protections and court legal system backlog. Assurance on the controls in place,	M	Audit Report	■		

Audit	Outline Scope	Priority	Expected Output	2021 /22	2022 / 23	2023 /24
	actions to respond given the limitations, highlighting residual risk.					
Housing Benefits (including Subsidy Grant)	Annual review to assess the effectiveness of internal controls within the Council financial systems. The review will also focus on the Subsidy Grant. Specific focus for 21/22 will be confirmed at scope; Internal Audit suggesting a review of fraud controls.	Annual	Audit Report	■	■	■
Supporting People Grant	The audit will provide assurance on the grant claim preparation and authorisation process.	Annual	Audit Report	■	■	■
Recharges on Housing Properties	High level assurance on recharges process across portfolio including assurance on how recharges are identified, invoicing and pursuance. Evaluate level of recharge recouped and written off. Assurance over effectiveness and value of process.	-	Audit Report		■	
Data Analysis – Cost of Homelessness	Case Study Review of wider costs of homelessness. Due to impacts of COVID19 on resource of team this is deferred to Q3 21/22.	-	Advisory		■	
Disable Facilities Grant (DFG) Follow Up	Revised policy and process in infancy. Delivery impacted by COVID19.	-	Follow Up		■	
WHQS / Capital Programmes	WHQS is coming to an end, recent report to Cabinet. New National Strategy in development. Council will define its approach by Dec/Jan 2021. Review to provide assurance on this strategy and action plan.	-	Advisory		■	
Bond Scheme	Funding continues to be provided by Government for the Bond scheme. Assurance over system and controls in place.	-	Audit Report		■	
People & Resources						
MFTS & supporting Method Statements / Budget Challenge	The review to focus on the more complex harder to method areas during the update to the MTFs work	H	Audit Report	■		
Insurance	Review of the risk around the internal insurance fund and affordability to meet liabilities.	M	Audit Report	■		
Main Accounting – Accounts payable (AP) & P2P	Annual review to assess the effectiveness of the internal controls within the Councils financial systems, including review of the new fast track payment programme.	Biennial	Audit Report	■		■
Corporate Grants (replacement of AW work)	To provide assurance that a sample of corporate grants are meeting the grant conditions set by Welsh Government.	Annual	Audit Report	■	■	■
Financial Management Accounting within Portfolios (focus on budget monitoring)	Focus on the budget control within Portfolios, looking at the key challenges managed by the Portfolio Accountants (revisit findings identified during previous audit).	-	Audit Report		■	

Audit	Outline Scope	Priority	Expected Output	2021 /22	2022 / 23	2023 /24
Main Accounting (General Ledger)	Annual review to assess the effectiveness of the internal controls within the Councils financial systems.	Biennial	Audit Report		■	
Use of Agency, Relief, Self-Employed & Supply Teachers (including IR35 Compliance)	Review to ensure risk of employee relationship is consistently managed and IR35 is appropriately complied with.	H	Audit Report	■		
Notification of Leavers to CPF	Review of processes around the notification of leavers and validation of redundancy status prior to lump sum payment.	H	Audit Report	■		
Payroll	Annual review to assess the effectiveness of internal controls within the Council's financial systems.	Biennial	Audit Report		■	
Increase in Demand for Occupational Health & Supplementary Services	Ability to respond to increased demand in a timely way, and achievement of VFM in the delivery of services.	-	Audit Report		■	
DBS Renewal	Review of new DBS processes for robustness and consistency of application.	-	Audit Report		■	
Matrix (Cross Cutting with Corporate)	Risk that corporate platform for recruitment is not fit for purpose resulting in lack of qualified staff from which to recruit. Impact felt in Social Services but not specific to this portfolio. Assurance over effective contract management with Matrix as provider.	-	Audit Report		■	
Attendance Management	Compliance with policy and comparison of sickness absence on Etarmis / replacement time management system to iTrent.	-	Audit Report		■	
Post Trace Protect	Review of the fast paced development of the service to ensure appropriate identification & carry forward of lessons learned.	-	Audit Report		■	
Apprentice Levy	Benchmark apprentice levy income recovery against other local authorities to ensure maximisation of income recovery.	-	Audit Report		■	
Planning, Environment & Economy						
Ash Die Back	Significant black risk – reflected in both PEE and Street scene risk registers. Cross cutting with Street scene – assurance over agreed plan and actions.	H	Audit Report	■		
House of Multiple Occupancy	Review to provide assurance that the key controls are operating effectively and risks presented by HMOs are being managed effectively. Scope to be defined with management.	H	Audit Report	■		
Planning Enforcement	Provide assurance that new system and controls have been embedded and are operating effectively	H	Audit Report	■		
Environmental Health Strategy	EH model is under review including lessons from COVID, longer term responses to pandemic as well as business as usual risks. Model will be influenced by regional / national expectations. Council strategy will be drafted by April 2021.	M	Audit Report	■		

Audit	Outline Scope	Priority	Expected Output	2021 /22	2022 / 23	2023 /24
	Assurance work on action plan to achieve new strategic model.					
Social Values	Ensure the new social value model is embedded, effective, measureable and delivering the aims of the service provision.	-	Annual 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.	-	Audit Report		■	
Domestic Energy	Review management's monitoring arrangements in place to ensure controls mitigate the risks facing the service.	-	Audit Report		■	
Local Development Plan	Review the effectiveness of the board process for the delivery of the LDP.	-	Audit Report		■	
Social Services						
Extra Care Facility : Llys Eleanor	Establishment review of the current model and controls - Llys Eleanor - provide assurance that management systems and control sufficiently mitigate risks and test how management obtain their own assurance that their systems and controls are operating effectively	H	Audit Report	■		
Micro Care	Providers of very small, community based care and support services. This is an unregulated area and should continue to be. To provide assurance that management systems and control sufficiently mitigate risks and test how management obtain their own assurance that their systems and controls are operating effectively	H	Audit Report	■		
Legal Status of a Child in care	To review and provide assurance over the adequacy of the arrangements and procedures in place to manage the legal status of a child in care.	H	Audit Report	■		
Employment Support Allowance	ESA is financial support if you have a disability or health condition that affects how much you can work. Limited guidance in the legislation – Provide assurance around FACT's calculations minimise discrepancies between what Council calculate and what is actually agreed.	M	Audit Report	■		
Single Point of Access (SPOA)	Review the effectiveness and evaluation of the service, including the performance management data used to support service delivery.	M	Audit Report	■		
Deprivation of Liberty Safeguards (DoLS)	Following the introduction of new legislation in October to review the impact to the service and the effectiveness in complying with legislation.	-	Audit Report		■	
First Contact (Assessment & Intervention)	To examine referrals received via First Contact to ensure all are processed in accordance with policy and procedures	-	Audit Report		■	
Early Help Hub	To review of the effectiveness of the early help hub.	-	Audit Report		■	

Audit	Outline Scope	Priority	Expected Output	2021 /22	2022 / 23	2023 /24
Streetscene & Transportation						
Highways Structures (Bridges)	To examine the inspection and preventative maintenance arrangements in place for the council Highways Structures, including bridges.	H	Audit Report	■		
North and Mid Wales Trunk Road Agent (NMWTRA) Income Collection	North and Mid Wales Trunk Road Agent (NMWTRA) is responsible for managing, maintaining and improving the strategic road network in North and Mid Wales on behalf of the Welsh Government. Provide assurance that the processes to claim back income is as effective as possible	M	Audit Report	■		
Environmental Permits	Assurance on systems and controls in place which provide management with assurance that risk to breach of legislation / Non-compliance with legislation (Environmental Permits) is mitigated. Review arrangements in place around management of garden waste for other Local Authorities.	M	Audit Report	■		
Statutory Training	Provide assurance that risk of expiry of statutory training certifications due to the inability to undertake testing / training has been mitigated	M	Audit Report	■		
Arc Adfer - Contract Management and Associated Risks	Annual assurance to review the control framework in place.	Annual	Audit Report	■	■	■
Transport Operator Supply Risks	The review will focus on the actions taken by the service to monitor and review transport agreements, routes, reporting and financial spend to ensure that the Council can continue to support transport service operators in provision of school bus routes. The continuing challenges that the service is facing are the number of operators reducing and increasing costs.	-	Audit Report		■	
Power of Delegation	To provide assurance that delegated authority is exercised appropriately including requests, evidence for decision making and reporting.	-	Audit Report		■	
Environmental Enforcement (Abandoned Vehicles, Dog Fouling, Car Parking)	The review will focus on system and controls in place for environmental enforcement service since it returned in house and in relation to COVID19. Specific areas of testing to be agreed with management. Particular focus on impacts of work generated via communications with citizens, issuing fines and clarity and consistency of expectations of citizens, Members and operations.	-	Audit Report		■	
Highways - Asset management plan	Evaluate the budget and actual spend to identify any risks to the quality of the network	-	Advisory Note		■	
External						
Clwyd Pension Fund – Pension Administration & Contributions	To provide assurance around the robustness of processes & controls in place for the management of pensioner payroll & other payments whilst staff are working from home.	Biennial	Audit Report	■		■

Audit	Outline Scope	Priority	Expected Output	2021 /22	2022 / 23	2023 /24
SLA - Aura - 10 days per annum	Through the SLA with Aura, provide 10 days auditable service.	Annual	Audit Report	■	■	■
SLA - NEWydd - 10 days per annum	Through the SLA with NEWydd, provide 10 days auditable service.	Annual	Audit Report	■	■	■
Clwyd Theatre Trust	Through the SLA with Theatre Clwyd Trust, provide 10 days auditable service.	Annual	Audit Report	■	■	■
Clwyd Pension Fund - Investment, Management & Accounting	To assess the management of the funding strategy and compliance with regulations and procedures.	Biennial			■	
Advisory / Project Groups						
GDPR Project Board	Internal Audits' contribution to the review and compliance with the requirements of the Data protection Act 2018	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	Biennial	■		
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	■	■	■
Financial System	Provide Internal Audit advice and support over the options appraisal of a new financial system to replace Masterpiece.	Ongoing	Advice		■	■
Regional Anti-Fraud and Corruption Network	To host the regional North West Anti-Fraud and Corruption Network	Ongoing	Advice	■	■	■
Electronic Court Bundling Project Group	Participation in the project group to support implementation of the new system	Ongoing	Advice	■		
COVID19 - TTP Regional Tracing, Operation and Performance Group	COVID19 - As Test Trace Project Lead for Flintshire County Council contribute to the regions approach to the Test Trace Protect Strategy	Ongoing	Advice	■		
COVID19 - TTP Regional Oversight Group	COVID19 - As Test Trace Project Lead for Flintshire County Council contribute to the regions approach to the Test Trace Protect Strategy	Ongoing	Advice	■		

Audit	Outline Scope	Priority	Expected Output	2021 /22	2022 / 23	2023 /24
COVID19 – TTP Flintshire Project Group	COVID19 - As Test Trace Project Lead for Flintshire County Council contribute to the regions approach to the Test Trace Protect Strategy	Ongoing	Advice	■		
COVID19 – TTP FCC Oversight Group	COVID19 - Chair Flintshire’s Test Trace Project Oversight Group.	Ongoing	Advice	■		
COVID19 – Emergency Management Response Team	COVID19 – To attend and contribute to the Emergency Management Response Team	Ongoing	Advice	■		
COVID19 – Governance and Legal Silver Tactical Group	COVID19 – To attend and contribute to the Governance and Legal Silver Tactical Group	Ongoing	Advice	■		
COVID19 – Logging at Tactical Group	COVID19 – To log meetings for various tactical groups	Ongoing	Advice	■		
Anti-Fraud and Corruption						
Investigation of Fraud and Irregularities				■	■	■
Proactive Fraud				■	■	■
Regional Fraud Network				■	■	■
National Fraud Initiative (NFI)				■	■	■
Fraud Risk Awareness				■	■	■
Fraud Risk Assessment				■	■	■
Develop On-line Fraud Reporting Solution				■		
Review and Update the Counter Fraud Policies and Plans					■	

6.2 Types Audit Coverage

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

Tudalen 110

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 on 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 visit a number of school based on risk and date of last review. The audit will comprise of a full establishment audit covering all aspects of governance, personnel, financial, information
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 10



AUDIT COMMITTEE

Date of Meeting	Wednesday, 24 th March 2021
Report Subject	Public Sector Internal Audit Standards
Report Author	Internal Audit Manager
Type of Report	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

1.00	EXPLAINING THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS
1.01	<p>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 1st April 2013 and were last updated 2018. The standards and the Local Government application note set out the basis for an adequate and effective internal audit.</p>
1.02	<p>PSIAS includes the Mission of Internal Audit, Definition of Internal Auditing, Core Principles of the Professional Practice for Internal Auditing, 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.</p>
1.03	<p>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. The QAIP is documented in Appendix B. External assessments should be carried out at least once every five years, with internal assessments carried out on an annual basis. Flintshire's external assessment was last undertaken in March 2017. The next external assessment is due to take place May 2022.</p>
1.04	<p>Internal assessments must include:</p> <ul style="list-style-type: none"> • Ongoing monitoring of the performance of the internal audit activity; and • Periodic self-assessment, or assessment by other persons within the organisation with sufficient knowledge of internal audit practices.
1.05	<p>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.</p>
1.06	<p>Based on the outcome of both the internal self-assessment for 2020/21 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'.</p>
1.07	<p>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</p>

	actions have been implemented with one action in progress which has been delayed to the impact of the pandemic. The status of actions to date are shown within the Quality Assurance Improvement Programme (QAIP), Appendix B.
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2.00	RESOURCE IMPLICATIONS
2.01	None.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None.

4.00	RISK MANAGEMENT
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.

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

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

7.00	GLOSSARY OF TERMS
7.01	Public Sector Internal Audit Standard A set of standards that all Internal Audit teams working in the public sector must comply with.

Mae'r dudalen hon yn wag yn bwrpasol

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

Tudalen 115

Glossary	
GC	Generally Conforms with PSIAS - 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.
PC	Partially Conforms with PSIAS - 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.
DNC	Does Not Conform with PSIAS - 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.
N/A	Not Applicable - 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.
CAE	Chief Audit Executive - 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
1	Mission of Internal Audit	✓		
2	Definition of Internal Auditing	✓		
3	Core Principles for the Professional Practice of Internal Auditing	✓		
4	Code of Ethics	✓		
5	Attribute Standards	✓		
Ref				
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)	✓		

Flintshire Internal Audit

Tudalen 118

2310	Identifying Information	✓		
2320	Analysis and Evaluation	✓		
	SUMMARY OF RESULTS	GC	PC	DNC
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 Managements Acceptance of Risks	✓		
	OVERALL CONCLUSION – CONFORMANCE WITH PSIAS	✓		

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
1	Mission of Internal Audit				
	Based on your review of conformance with other requirements of the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), does the internal audit activity aspire to accomplish the Mission of Internal Audit as set out in the PSIAS? <i>To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.</i>	✓			In accordance with the mission statement set out in the PSIAS our work aims to provide organisational value to the Council whilst understanding its objectives we can provide a risk based approach to our work and deliver value for money for the Council.
	Mission of Internal Audit	✓			
2	Definition of Internal Auditing				
	Using evidence gained from assessing conformance with other Standards, is the internal audit activity: a) Independent? b) Objective?	✓ ✓			See questions and answers below Charter updated and approved by Audit Committee January 2021 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 questions and answers below Prioritisation of work through risk based approach and action tracking. Furthermore the work we undertake provides insight, is proactive and future focused.
	Definition of Internal Audit Conclusion	✓			
3	Core Principles for the Professional Practice of Internal Auditing				
	Using the evidence gained from assessing conformance with other Standards, does the internal audit activity demonstrate the core principles in its practice: <ul style="list-style-type: none">• Demonstrates integrity.• Demonstrates competence and due professional care.• Is objective and free from undue influence (independent).• Aligns with the strategies, objectives, and risks of the organisation.	✓			See questions and answers below As professional officers delivering a service to the Council, it is an essential that the core principles are followed at all times. This is monitored and evaluated through the planning process, quality assurance reviews and regular supervision and competency based appraisal process.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	<ul style="list-style-type: none"> • Is appropriately positioned and adequately resourced. • Demonstrates quality and continuous improvement. • Communicates effectively. • Provides risk-based assurance. • Is insightful, proactive, and future-focused. • Promotes organisational improvement. 				
	Core Principles for the Professional Practice of Internal Auditing	✓			
4	Code of Ethics				
	<p>Integrity Using evidence gained from assessing conformance with other Standards, do internal auditors:</p> <p>a) Perform their work with honesty, diligence and responsibility? ✓</p> <p>b) Observe the law and make disclosures expected by the law and the profession? ✓</p> <p>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? ✓</p> <p>d) Respect and contribute to the legitimate and ethical objectives of the organisation? ✓</p>				<p>See questions and answers below.</p> <p>As professional officers, each internal auditor is expected to perform their duties in accordance with the CIAA's code of ethics, as well as Flintshire County Council code of conduct.</p> <p>The CIAs 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. The PSIAS also require that if an individual internal auditor is a member of another professional body then he or she must also comply with the relevant requirements of that body.</p>
	<p>Objectivity Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by not:</p> <p>a) Taking part in any activity or relationship that may impair or be presumed to impair their unbiased assessment? ✓</p> <p>b) Accepting anything that may impair or be presumed to impair their professional judgement? ✓</p>				<p>See questions and answers below</p> <p>All members of the team complete an annual declaration of interest (independence Certificate) and comply with Flintshire County Council's Code of Conduct. Last updated Feb 2021.</p>

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	c) Disclosing all material facts known to them that, if not disclosed, may distort the reporting of activities under review?	✓			
	<p>Confidentiality</p> <p>Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:</p> <p>a) Acting prudently when using information acquired in the course of their duties and protecting that information?</p> <p>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?</p>	✓			<p>See questions and answers below.</p> <p>All work is undertaken in a confidential manner. All documentation is held securely with retention policies in place. Laptops all encrypted. The IA door has a secure key pad and swipe access.</p> <p>During the Pandemic, all officers have been home working. All meetings are conducted remotely via WebEx. There is a requirement for all staff to ensure data is held securely and information treated confidentially including the safe storage of their laptop.</p> <p>As professional officers, each internal auditor is expected to perform their duties in accordance with the adopted CIAA's code of ethics. The Code of Ethics is included within the Audit Manual and Audit Charter</p>
	<p>Competency</p> <p>Using evidence gained from assessing conformance with other Standards, do internal auditors display objectivity by:</p> <p>a) Only carrying out services for which they have the necessary knowledge, skills and experience?</p> <p>b) Performing services in accordance with the PSIAS?</p> <p>c) Continually improving their proficiency and effectiveness and quality of their services, for example through CPD schemes?</p>	✓			<p>See questions below.</p> <p>Regular training in services to be audited. Expertise developed over time in complex areas and experienced staff assigned to those areas.</p> <p>Training plans based on appraisals, now competency based. Development Plan compiled from latest appraisals and training provided.</p> <p>Qualified Certified Internal Auditors also have</p>

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					to undertake mandatory 30 hours CPE per year.
	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"> • Selflessness; • Integrity; • Objectivity; • Accountability; • Openness; • Honesty; and • Leadership. <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>
	Code of Ethics Conclusion	✓			
	Standards				
5	Attribute Standards				
5.1	1000 Purpose, Authority and Responsibility				
	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.

Flintshire Internal Audit

Tudalen 123

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
LGAN	Does the internal audit charter define the terms 'board' and 'senior 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.	✓			Sets out each of the functions of the board and where it lies. The Charter defines the term 'senior manager' and includes reference to auditing third parties (Aura and NEWydd), addressing the QAIP action. The Charter was last updated and approved by Audit Committee in January 2021.
LGAN	Does the internal audit charter also:				The Charter includes sections on the Role and Scope of IA, Independence and Authority, Audit Responsibility, Resources, Training, Reporting and Performance Reporting.
	a) Set out the internal audit activity's position within the organisation?	✓			
	b) Establish the CAE's functional reporting relationship with the board?	✓			
LGAN	c) Establish the accountability, reporting line and relationship between the CAE and those to whom the CAE may report administratively?	✓			It includes the reporting relationships of the Internal Audit Manager to statutory officers and the Audit Committee.
	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?	✓			Unrestricted access to all activities, functions, records and property.
LGAN	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 right to require information from officers.
LGAN	f) Define the scope of internal audit activities?	✓			
	g) Recognise that internal audit's remit extends to the entire control environment of the organisation?	✓			The contribution is in place through all audit work and the Internal Manager's being a member of the Corporate Governance Working Group.
LGAN	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?	✓			
	i) Establish the organisational independence of internal audit?	✓			
LGAN	j) Cover the arrangements for appropriate resourcing?	✓			Responsible for investigating potential fraud and irregularity.
	k) Define the role of internal audit in any fraud-related work?	✓			
	l) Set out the existing arrangements within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or	✓			

Flintshire Internal Audit

Tudalen 124

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	<p>detected fraud, corruption or impropriety?</p> <p>m) Include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities?</p> <p>n) Define the nature of assurance services provided to the organisation, as well as assurances provided to parties external to the organisation?</p> <p>o) Define the nature of consulting services?</p> <p>p) Recognise the mandatory nature of the PSIAS?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>The Audit Charter has been updated to include the new work with Aura / NEWydd. The Charter was last updated and approved by Audit Committee in January 2021.</p> <p>PSIAS recognised within the scope.</p>
	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 was last updated and approved by Audit Committee in January 2021.
	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.
	1000 Conclusion	✓			
5.2	1100 Independence and Objectivity				
	Does the CAE have direct and unrestricted access to senior management and the board?	✓			<p>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. Due to the impact of COVID quarterly meetings with Chief Officers have not taken place however the audit plan was completely revised in September 2021 and all Chief Officers were consulted prior to presenting this plan to Audit Committee for approval in September 2021.</p> <p>The Audit Manager can contact the s151 Officer, any Chief Officer or the Chief Officer Team as a whole at any time, and also can</p>

Flintshire Internal Audit

Tudalen 125

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					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 Committee at any time.
	Are threats to objectivity identified and managed at the following levels: a) Individual auditor? b) Engagement? c) Functional? d) Organisation?	✓ ✓ ✓ ✓			Auditors identify any conflict and report them to audit management. All other levels included in the Charter and Constitution.
	1100 Conclusion	✓			
	<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.
LGAN	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.
LGAN	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.
LGAN	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?				

Flintshire Internal Audit

Tudalen 126

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	<p>The following examples can be used by the CAE when assessing the organisational independence of the internal audit activity:</p> <p>The board:</p> <p>a) approves the internal audit charter</p> <p>b) approves the risk-based audit plan</p> <p>c) approves the internal audit budget and resource plan</p> <p>d) receives communications from the CAE on the activity's performance (in relation to the plan, for example)</p> <p>e) approves decisions relating to the appointment and removal of the CAE</p> <p>f) seeks reassurance from management and the CAE as to whether there are any inappropriate scope or resource limitations.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>Within the Annual Report. Also in annual meeting with the AC.</p> <p>Audit Committee</p> <p>Chief Officer Team and Audit Committee.</p> <p>Chief Officer Governance</p> <p>Audit Committee</p> <p>Chief Officer Governance / Chief Executive / Chair of Audit Committee</p> <p>Audit Committee</p>
	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. Next due May 2021.
	Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?	✓			The Chair of Audit Committee and the Chief Executive are consulted by the Chief Officer Governance prior to the performance appraisal of the Audit Manager to obtain feedback.
	1110 Conclusion	✓			
	<i>1111 Direct Interaction with the Board</i>				
	Does the CAE communicate and interact directly with the board?	✓			<p>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.</p> <p>During the pandemic the March 2020 private</p>

Flintshire Internal Audit

Tudalen 127

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					meeting did not take place . This was moved to the November meeting.
	1111 Conclusion	✓			
	<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 2021) of interests. Auditors report any potential conflict to audit management. Also considered during the allocation of work to auditors..
	1120 Conclusion	✓			
	<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?	✓			During the last 12 months one senior member has worked on a secondment basis within another service area. This auditor would not be required to audit within that service to maintain independence.
	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?	✓			The Internal Audit Manager has the responsibility for managing Central Despatch and more recently for managing the Test Trace Protect service. At this stage there has been no requirement for an audit of Central Despatch however when this does occur, the findings from the audit would be reported direct to the Chief Officer for Governance rather than the

Flintshire Internal Audit

Tudalen 128

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					audit manager. In relation to Test Trace Protect – Audit Wales undertook an audit of the Service in 2020.
LGAN	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.
LGAN	Have internal auditors declared interests in accordance with organisational requirements?	✓			Auditors sign declarations of interest forms annually (February 2021).
LGAN	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 fully?	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.
LGAN	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.
LGAN	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.
LGAN	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.
	1130 Conclusion	✓			
5.3	1200 Proficiency and Due Professional Care				

Flintshire Internal Audit

Tudalen 129

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	<i>1210 Proficiency</i>				
	Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	✓			CMIIA
	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.
LGAN	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 within Internal Audit.
LGAN	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/July 2021
	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. A member of the team is currently studying to become a qualified Counter Fraud Specialist and another officer holds the following qualifications Certified Counter Fraud Specialist (CCFS);

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					Counter Fraud and Criminal Justice (HNC).
	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 have access to Computer Assisted Audit Techniques through the use of Active Data
	1210 Conclusion	✓			
	<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? d) Probability of significant errors, fraud, or non-compliance? e) Cost of assurance in relation to potential benefits?	✓ ✓ ✓ ✓ ✓			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 where appropriate. CAATs used (Active Data for Excel) c) Specific fraud questions are asked of all 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 work by Senior Auditors and Principal Auditors.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	1220 Conclusion	✓			
	<i>1230 Continuing Professional Development</i>				
LGAN	Has the CAE defined the skills and competencies for each level of auditor?	✓			Defined in the person specification for each position.
LGAN	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.
	1230 Conclusion	✓			
5.4	1300 Quality Assurance and Improvement Programme				
	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.
LGAN	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.
	1300 Conclusion	✓			
	<i>1310 Requirements of the Quality Assurance and Improvement</i>				

Flintshire Internal Audit

Tudalen 132

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	<i>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 and Flintshire is due to be externally assessed in May 2022.
	1310 Conclusion	✓			
	<i>1311 Internal Assessments</i>				
LGAN	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.
LGAN	Does ongoing performance monitoring include comprehensive performance targets?	✓			There are performance targets for the department and each staff member. However these individual targets have not been monitored for the period during the pandemic.
LGAN	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. Due to the impact of COVID and the delay in audits during the early part of the year is was not feasible to monitor individual performance targets during April to September 2020.
LGAN	Does the CAE measure, monitor and report on progress against these targets?	✓			Progress against departmental targets reported to Audit Committee usually quarterly.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					Performance reporting recommenced in September 2020 following the impact of COVID.
LGAN	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.
LGAN	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	✓			Yes
	1311 Conclusion	✓			
	<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 by the Wales Chief Internal Auditors Group and is due to take place in May 2022.
LGAN	Has the CAE considered the pros and cons for the different types of external assessment (i.e. 'full' or self-assessment plus 'independent validation')?	✓			Yes. Self-assessment plus independent validation completed. Organised via the Wales Chief Internal Auditors Group. The last external assessment was performed by the Head of Internal Audit Ceredigion. This approach was agreed by the Audit Committee when the PSIAS were launched.
	Has the CAE discussed the proposed form of the external assessment and the qualifications and independence of the assessor or	✓			See above.

Flintshire Internal Audit

Tudalen 134

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	assessment team with the board?				
LGAN	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 which the internal audit activity belongs.	✓			No. Completed by the Head of Internal Audit for Ceredigion.
	1312 Conclusion	✓			N/A
	<i>1320 Reporting on the Quality Assurance and Improvement Programme</i>				

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	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 2020/21. 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 (last published September 2020).
	1320 Conclusion	✓			
	<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)
	1321 Conclusion	✓			
	<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.
	1322 Conclusion	✓			
6	Performance Standards				
6.1	2000 Managing the Internal Audit Activity				
	Do the results of the internal audit activity's work achieve the	✓			Through the audit plan, as reported in the

Flintshire Internal Audit

Tudalen 136

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	purposes and responsibility of the activity, as set out in the internal audit charter?				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. During the pandemic internal audit has worked alongside portfolios and been members of tactical working groups to provide assurance and advisory work on key aspects of how the Council has responded to the Pandemic.
	2000 Conclusion	✓			
	<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. During 2020 Internal Audit has responded to the emerging COVID risks, both supporting and challenging the portfolios with their risk mitigation statements.
	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. During the pandemic direct management (Line 1) assurance has been sought and challenged.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					This will be used to form the annual audit opinion for 2020/21
	Does the risk-based plan take into account the organisation's assurance framework?	✓			Sources of assurance considered during planning and the use of the Risk & Performance Management Framework
	Does the risk-based plan incorporate or is it linked to a strategic or high-level statement of: 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?	✓ ✓ ✓			a & c - Part of the Strategic Plan.
	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
LGAN	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 2020/21
LGAN	Does the risk-based plan differentiate between audit and other types of work?	✓			All work is included within the plan.
LGAN	Is the risk-based plan sufficiently flexible to reflect the changing risks and priorities of the organisation?	✓			The plan is reviewed quarterly and updated to reflect emerging issues, this has been more frequently during 2020/21 due to the pandemic. The original 2020/21 audit plan had

Flintshire Internal Audit

Tudalen 138

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					to be replaced with a new plan in September 2020.
	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. The impact of COVID pandemic has also been reported to the audit committee, include the work Internal Audit has been involved in during this period.
	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, Due to the pandemic the risk register has formed part of the planning process.
	Is the risk assessment used to develop the plan of engagements undertaken at least annually?	✓			The Council's strategic and operational risks are usually assessed at least annually. However during the pandemic there has been a regular review of the emergency and recovery risk registers.
LGAN	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. Due to the impact of the Pandemic the original 2020/21 plans available resources had to be revised and a new plan produced in September.
	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.

Flintshire Internal Audit

Tudalen 139

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					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.
	2010 Conclusion	✓			
	<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 plan and/or resource requirements to senior management and the board for review and approval, where such changes have arisen?	✓			Updated to Audit Committee as and when.
	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.
	2020 Conclusion	✓			
	<i>2030 Resource Management</i>				
	Does the risk-based plan explain how internal audit's resource requirements have been assessed?	✓			Yes.
LGAN	Has the CAE planned the deployment of resources, especially the timing of engagements, in conjunction with management to minimise	✓			Discussed in planning meetings and planned throughout the year

Flintshire Internal Audit

Tudalen 140

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	abortive work and time?				
LGAN	<p>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?</p> <p>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.</p>	✓			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.
	2030 Conclusion	✓			
	<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 are in place however due to the pandemic the Audit manual was last updated in Feb 2019. However the Pentana Audit checklist has been updated during 2020/21 to reflect changes to the Audit Management software system following system updates.
LGAN	<p>Has the CAE established policies and procedures to guide staff in performing their duties in a manner that conforms to the PSIAS?</p> <p>Examples include maintaining an audit manual and/or using electronic management systems.</p>	✓			Policies and procedures are in place. Audit manual updated in Feb 2019. Pentana Audit checklist is continually updated to reflect changes to the system following updates.
LGAN	Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	✓			See above – updated during 2019.
	2040 Conclusion	✓			
	<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.
LGAN	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of	✓			An assurance mapping exercise was undertaken as part of the 2020/21 Strategic

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	assurance?				Planning process and the 2021/22 planning progress. This had to be revised in September to take account of the direct assurance reviews undertaken and the emergency / recovery risk registers. A revised plan was presented to Audit Committee for approval in September 2020.
	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.
LGAN	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 Audit Wales. This has been approved by the Audit Committee in 2017.
	2050 Conclusion	✓			
	<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. Reporting to committee in June and September 2020 was impacted by the pandemic. Full performance reporting resumed in November 2020.
	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 reporting to Audit Committee (apart from June / September due to the Pandemic – mentioned above). 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.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	2060 Conclusion	✓			
	<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
	2070 Conclusion	N/A	N/A	N/A	N/A
6.2	2100 Nature of Work				
	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 Chairs 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.
	2100 Conclusion	✓			
	<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.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Has the internal audit activity evaluated the: a) design b) implementation, and c) effectiveness of the organisation's ethics-related objectives, programmes and activities?	✓			Audit work is based on the Council's objectives, priorities and risks and covers some of the areas in the Code of Corporate Governance such as organisational performance management and communication of risk and control information. Whilst ethics does form part of audits a separate audit on ethic related objectives was planned But this has had to be put on hold due to the pandemic.
	Has the internal audit activity assessed whether the organisation's information technology governance supports the organisation's strategies and objectives?	✓			Information technology governance included in the 20/21 audit plan.
LGAN	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 2021/22 Strategic Planning process and 23/24 planning process.
	2110 Conclusion	✓			
	<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 During 2020/21 both emergency and recovery risk registers were established together with supporting risk mitigation statements. These were reviewed 'real time' by Internal Audit Reported to O&S in Performance Reports. Currently supporting the role out of the updated Risk Management Framework.

Flintshire Internal Audit

Tudalen 144

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	<p>Has the internal audit activity evaluated the risks relating to the organisation's governance, operations and information systems regarding the:</p> <p>a) Achievement of the organisation's strategic objectives?</p> <p>b) Reliability and integrity of financial and operational information?</p> <p>c) Effectiveness and efficiency of operations and programmes?</p> <p>d) Safeguarding of assets?</p> <p>e) Compliance with laws, regulations, policies, procedures and contracts?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>			<p>As part of audit planning and the completion of individual audit assignments.</p> <p>Evaluated and reported to O&S in Performance Reports and within specific audits.</p> <p>Sections b to e within specific audits.</p>
	<p>Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?</p>	<p>✓</p>			<p>As part of the audit, management are asked to consider the risk of fraud in their area.</p> <p>The department is responsible for the maintenance of the Corporate Anti-Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing policy. All updated and approved in December 2019. Fraud risks considered for each review (specific work programme used). A workshop on Whistleblowing was delivered to social Services are their request.</p> <p>The service takes part in the national fraud initiative's data matching exercise.</p> <p>The service has recently developed a fraud reporting tool which will be available to members of the public and staff in the new financial year. The service is also due to host a regional fraud networking group for the six LAs in North Wales.</p>
	<p>Do internal auditors address risk during consulting engagements consistently with the objectives of the engagement?</p>	<p>✓</p>			<p>Yes.</p> <p>There is further opportunity to develop the process for delivering consultancy / advisory</p>

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
					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. It would be the requirement of management to alert audit to emerging risks that would affect our consultancy engagements.
	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 review and make further recommendations at a later date" after providing a consultation service in an area that may be later audited."
	2120 Conclusion	✓			
	<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.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	2130 Conclusion	✓			
6.3	2200 Engagement Planning				
	Do internal auditors develop and document a plan for each engagement?	✓			Scope Document developed and agreed for each audit revised Dec 2019. However this was adapted to reflect of the impact of Covid during 2020.
	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: 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?	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓			All considered and documented in the scope 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?	✓			NWRWTP – objectives and scope of the audits agreed. Responsibility of IA included in Inter-Authority Agreement. Aura/Newydd - SLA in place.

Flintshire Internal Audit

Tudalen 147

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	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)?				
	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 and other client expectations
	For significant consulting engagements, has this understanding been documented?	✓			As part of the scope document.
	2200 Conclusion	✓			
	<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 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	✓			PI's included within the audits.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	whether objectives and goals have been accomplished?				
	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?	✓			Part of the review and appropriate actions would be put in place.
LGAN	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. There is further scope to 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 the client?	✓			Yes would be. Objectives agreed with 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.
	2210 Conclusion	✓			
	<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:	✓			NWRWTP – objectives and scope of the audits agreed. Responsibility of IA included in Inter-

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	a) Systems? b) Records? c) Personnel? d) Premises?				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.
	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.
	2220 Conclusion	✓			
	<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?	✓			Planned at start of the year, then amended with detailed planning.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	b) Any time constraints? c) The resources available?	✓ ✓			
	2230 Conclusion	✓			
	<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 engagement?	✓			Yes. Reviewed by Principal Auditors.
	Were any adjustments required to work programmes approved promptly?	✓			If applicable. By Principal Auditors. In absence of 1 x Principal (retired) supervision by Audit Manager.
	2240 Conclusion	✓			
6.4	2300 Performing the Engagement				
	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.
	2300 Conclusion	✓			
	<i>2310 Identifying In formation</i>				

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	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 (Active Data) used where applicable.
	2310 Conclusion	✓			
	<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.
LGAN	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.
	2320 Conclusion	✓			
	<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.
LGAN	Are working papers sufficiently complete and detailed to enable another experienced internal auditor with no previous connection	✓			Requirements set out in audit manual. Files contain test sheets and results, reviewed by

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	with the audit to ascertain what work was performed, to re-perform it if necessary and to support the conclusions reached?				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 AW 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. Documentation has also been released as part of Subject Access Requests. This is managed by the Internal Audit Manager in conjunction with the Information Governance Manager. To ensure the work of internal audit is not compromised, there have been occasions where the appropriate exceptions have been applied. This has been authorised by the Council Single Information Risk Owner (SIRO).
	Has the CAE developed and implemented retention requirements for all types of engagement records?	✓			IA has developed its own Documents Retention 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.
	2330 Conclusion	✓			
	<i>2340 Engagement Supervision</i>				

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	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.
	2340 Conclusion	✓			
6.5	2400 Communicating Results				
	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.
	2400 Conclusion	✓			
	<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. Whilst informal suggestions are made, management are responsible for ensuring appropriate actions are identified and implemented based on the findings articulated to management.
LGAN	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 actions?	✓			Standard practice to have a closing meeting with relevant managers and Chief Officer to agree draft report.
LGAN	If recommendations and an action plan have been included, are recommendations prioritised according to risk?	✓			Findings prioritised as Red (high), amber (medium), green (low).
LGAN	If recommendations and an action plan have been included, does the communication also state agreements already reached with	✓			Management actions in response to the findings are included in final report.

Flintshire Internal Audit

Tudalen 154

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	management, together with appropriate timescales?				
LGAN	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.
LGAN	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.
LGAN	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.
LGAN	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 to which they are obliged to provide internal audit services?	✓			NWRWTP –Responsibility of IA included in Inter-Authority Agreement.
	2410 Conclusion	✓			
	<i>2420 Quality of Communications</i>				
	Are communications:				Aim for all of these, through specified report format, audit manual requirements, training

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	a) Accurate? b) Objective? c) Clear? d) Concise? e) Constructive? f) Complete? g) Timely?	✓			and experience, review of files and reports. Assurance opinion review in Sept 2019 to ensure it remains appropriate.
	2420 Conclusion	✓			
	<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.
	2421 Conclusion	✓			
	<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).
	2430 Conclusion	✓			
	<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: 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?	N/A	N/A	N/A	N/A. Not happened.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	2431 Conclusion	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.
	2440 Conclusion	✓			
	<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 these opinions. The opinion for 2020/21 (due to be reported June 2021) will include the impact of the pandemic and where reliance is place on direct assurance and the alternative work undertaken by the service during April to September 2020.
	Does the annual internal audit opinion take into account the expectations of senior management, the board and other stakeholders?	✓			Expectations taken into account, but it remains the audit opinion. See above for the additional element as to how the annual audit opinion will be formed for 2020/21.

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	Is the annual internal audit opinion supported by sufficient, reliable, relevant and useful information?	✓			Built up from all reports in the year and for 2020/21 this will also include the direct assurance and separate advisory reviews undertaken during April – September 2020 to provide immediate assurance to the business on the response and handling of the pandemic.
	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 to date. If this were the case, reasons would be included and the audit committee fully briefed. Due to the pandemic there is the potential risk of limitation of scope however taking into account the direct assurance and additional advisory reviews this is not the case so far.
	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.
LGAN	Does the annual report incorporate the following: a) The annual internal audit opinion?	✓			Yes to all (where applicable – see above)
LGAN	b) A summary of the work that supports the opinion?	✓			
LGAN	c) A disclosure of any qualifications to the opinion?	✓			
LGAN	d) The reasons for any qualifications to the opinion?	✓			
LGAN	e) A disclosure of any impairments or restriction in scope?	✓			
LGAN	f) A comparison or work actually carried out with the work planned?	✓			

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
LGAN	g) A statement on conformance with the PSIAS?	✓			
	h) The results of the QAIP?	✓			
	i) Progress against any improvement plans resulting from the QAIP?	✓			
LGAN	j) A summary of the performance of the internal audit activity against its performance measures and targets?	✓			
LGAN	k) Any other issues that the CAE judges is relevant to the preparation of the governance statement?	✓			
	2450 Conclusion	✓			
6.6	2500 Monitoring Progress				
	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	✓			At a later time by a different auditor, to ensure

Ref	Conformance with the Standard	GC	PC	DNC	Evidence
	engagements as agreed with the client?				independence is maintained.
	2500 Conclusion	✓			
6.7	2600 Communicating the Acceptance of Risks				
	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.
	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?	✓			If they occurred any risks accepted by management would be detailed in the annual audit plan.
	2600 Conclusion	✓			

Mae'r dudalen hon yn wag yn bwrpasol

Quality Assurance and Improvement Plan (QAIP) - Actions – 2020/21 **Appendix B**

Actions Outstanding from External Assessment (EA) March 2017 and or Self-Assessment (SA) February 2021 (questions not scored as conforming)

Tudalen 161

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 Implemented Partly Complete - April 2021	<p>Fraud risk analysis is undertaken as part of each audit review.</p> <p>Anti-Fraud and Corruption Strategy and Fraud Response Plan has been updated and presented to audit Committee in February 2019.</p> <p>Develop an online reporting solution which would support digital and customer strategies during 2019/20. This is currently at the test stage however due to COVID-19 this was on hold for a period however this is now ready to go live in the new financial year.</p> <p>Once operational the fraud reporting system and Whistleblowing policy will be promoted via change exchange.</p>
2110 (SA & EA)	Internal Audit reviews the activities in place that manage and monitor the effective implementation of the organisation's ethics and values.	Partial	<p>(SA) Review as part of CGWG – review of Code of Corporate Governance.</p> <p>(EA) The Service needs to undertake a review to evaluate</p>	LB	Partly Complete	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 communication of risk and control information.

Ref	Conformance with the Standard	Compliance	Planned Actions	Person Resp.	Timescale	Comment
			the design, implementation and effectiveness of the Council's ethics related objectives, programs & activities. (2110.A1)			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. This audit is currently in progress however due to COVID-19 this is on hold.

Tudalen 162

Quality Assurance Improvement Programme – Components (CIIA) 2020/21 Appendix C

Tudalen 163

Ref	Component	2020/21 Actions following 2019/20 Assessment	Status of 2020/21 Actions	2021/22 Planned Actions following 2020/21 Assessment
1	Develop and maintain audit policies and procedures.	<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 Programme (QAIP). The updated Charter will be presented to Audit Committee in June for consideration and approval.</p>	<p>Completed – Action to Remain Open</p> <p>The Audit Charter was updated to address the actions within the Quality Assurance Improvement Programme (QAIP). The updated Charter was presented and approved by Audit Committee in January 2021.</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.	<p>Review and reissue if amended in 2019.</p>	<p>Completed – Action to Remain Open</p> <p>The manual has been updated to include Internal Audits document retention policy as an appendix. It was last reviewed in 2019 due to impact of the pandemic</p>	<p>Review and reissue, if amended, in 2021.</p>
3	Ensure the financial and budgetary management of the department.	<p>Monitor financial budget management through the use of Collaborative Planning (CP) Software.</p>	<p>Completed – Action to Remain Open</p> <p>Monthly financial budget monitoring has been undertaken using CP Software.</p>	<p>Continue to maintain financial budget through monthly monitoring via CP Software.</p>

Ref	Component	2020/21 Actions following 2019/20 Assessment	Status of 2020/21 Actions	2021/22 Planned Actions following 2020/21 Assessment
4	Maintain the audit risk universe, gather and incorporate new information impacting the universe.	<p>Update audit universe from audits, the Council Plan and Risk Registers. Incorporated in 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>Completed – Action to Remain Open</p> <p>Assurance mapping exercise has been 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>Continue to maintain an up to date audit universe which mirrors the Council’s Priorities 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>Completed – Action to Remain Open</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. However due to the pandemic the plan had to be put on hold during April – September 2020 and a revised plan submitted to Audit Committee in 2020 taking into account the additional advisory work to the</p>	Continue to produce the Strategic Plan using the risk based approach undertaken in 2021/22.

Ref	Component	2020/21 Actions following 2019/20 Assessment	Status of 2020/21 Actions	2021/22 Planned Actions following 2020/21 Assessment
			business whilst responding to the emergency.	
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 25 March 2020 for approval.	<p>Completed – Action to Remain Open</p> <p>The Strategic Plan and Annual Plan was ready for approval by Audit Committee on 25 March 2020 however to the emerging pandemic the audit committee was cancelled. A revised audit plan was presented to Audit Committee in September 2020.</p>	Strategic Plan (including annual plan) to be presented for approval by Audit Committee on 24 March 2021.
7	Operate audit tools and use up to date technology.	<p>Continue to use Pentana Audit 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>	<p>Part Completed – Action to Remain Open</p> <p>Pentana Audit used for all audit work undertaken.</p> <p>New Control Risk Self Assessments have been developed using Pentana Audit.</p> <p>Due to the pandemic this has not been actively pursue however this will resume. . Due to available resources, root cause analysis has not been rolled out to date.</p>	<p>Continue to use Pentana Audit for all stages of the audit process.</p> <p>Continue to develop the teams’ skills in using Computer Assisted Auditing Techniques Software (CAATS) using Active Data.</p>

Ref	Component	2020/21 Actions following 2019/20 Assessment	Status of 2020/21 Actions	2021/22 Planned Actions following 2020/21 Assessment
8	Manage recruitment to meet staffing needs.	Continue to monitor the staffing needs of the team.	<p>Completed – Action to Remain Open</p> <p>Staffing within the team has been continuously monitored throughout the year given the turnover of staff following two retirements and one secondment.</p> <p>Alternative arrangements have been sought to address these vacancies with the increase of hours for the current part time staff.</p>	Continue to monitor the staffing needs of the team.
9	Complete annual performance appraisals.	Continue to undertake annual appraisals, due April / May 2020.	<p>Completed – Action to Remain Open</p> <p>All appraisals were completed during June / July 2020 apart from one officer who was on long term sickness at the time.</p>	Continue to undertake annual appraisals, due June / July 2021.
10	Maintain training and development of staff.	<p>Continue to maintain training and development plan following appraisals.</p> <p>Continue to support the team with their training needs.</p> <p>Revisit the succession planning exercise undertaken to identify future</p>	<p>Completed – Action to Remain Open</p> <p>Training continues to be undertaken by the services, with the CIA qualified auditors undertaking their mandatory 30 hours per annum continued professional development (CPD)</p>	<p>Continue to maintain training and development plan following appraisals.</p> <p>Continue to support existing officers to study for the professional qualifications.</p> <p>Continue to support the team with their training needs.</p>

Ref	Component	2020/21 Actions following 2019/20 Assessment	Status of 2020/21 Actions	2021/22 Planned Actions following 2020/21 Assessment
		workforce development requirements.	<p>As part of succession planning, one member of the team is studying for the qualification of Chartered Internal Auditor.</p> <p>Another Senior Auditor is currently studying the Chartered Institute of Public Financial & Accountancy's professional qualification (CIPFA). Both officers are half way through their professional qualifications.</p> <p>Another officer is just due to start a qualification as a Counter Fraud Specialist.</p>	Revisit the succession planning exercise undertaken to identify future workforce development requirements.
11	Evaluate post-audit questionnaires.	<p>Continue to issue questionnaires via Pentana Audit.</p> <p>Explore scope for improvement in percentage of officers returning completed questionnaires.</p>	<p>Part Completed - Action to Remain Open</p> <p>Questionnaires continue to be issued via Pentana Audit.</p>	Continue to issue questionnaires via Pentana Audit.
12	Complete quarterly progress reports to audit committee.	Present progress reports to the Audit Committee every quarter.	<p>Completed – Action to Remain Open</p> <p>Progress reports presented to the Audit Committee every quarter.</p>	Continue to present progress reports to Audit Committee every quarter.
13	Monitor the implementation of audit	Actions now tracked through MKinsight.	Completed – Action to Remain Open	Continue to track actions due for implementation through

Ref	Component	2020/21 Actions following 2019/20 Assessment	Status of 2020/21 Actions	2021/22 Planned Actions following 2020/21 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 are also be notified when a high priority action is implemented.</p>	Pentana Audit and report progress to Audit Committee as part of the quarterly update report.
14	Keep the audit team up to date with professional best practice.	Continue to invest in the professional development of the Internal Auditors through attendance on training courses, seminars, and webinars where budget allows.	<p>Completed – Action to Remain Open</p> <p>Training courses, seminars, etc. are monitored. Manager, Principals and Senior Auditors attend where relevant.</p> <p>During 2020 the following courses / seminars have been attended by staff within the Team:</p> <p>30 hours CIA training CIA study and exams CIPFA Studies and Exams</p>	Continue to invest in the professional development of the Internal Auditors through attendance on training courses, seminars, and webinars where budget allows.

Ref	Component	2020/21 Actions following 2019/20 Assessment	Status of 2020/21 Actions	2021/22 Planned Actions following 2020/21 Assessment
			Corporate Safeguarding Awareness Public Services Ombudsman for Wales (PSOW) – Complaint Handling CIPFA – Head of Audit Opinion IIA Remote Working and report writing for Internal Auditors Pentana Audit and Morgan Kai Road Map Webinar Social Values Webinar Lead and Manage Remote Teams Counter Fraud Seminar	

Tudalen 169

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 11



AUDIT COMMITTEE

Date of Meeting	Wednesday, 24 th March 2021
Report Subject	Internal Audit Progress Report
Report Author	Internal Audit Manager
Type of Report	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 progress report is attached.

RECOMMENDATIONS

1	To consider and accept the report.
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REPORT DETAILS

1.00	EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT
1.01	Internal Audit gives a progress report to the Audit Committee every quarter as part of the usual 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	Appendix C provides an oversight to Audit Committee on the cumulative assurance throughout the year; however, it should be noted this will be fluid. A footnote has been included to list those reports issued with a Red / Amber Red assurance.

1.04	<p>Since the last report on progress to committee in January, there have been no Red / Limited assurance report issued. Appendix D shows one report with an Amber Red / Some assurance given. Copies of all final reports are available for members if they wish to see them.</p>
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, a follow up e-mail is sent to the responsible officer, their manager and copied to Chief Officer for awareness. Monthly reports are also sent to Chief Officers informing them of outstanding actions for their teams. The monthly report to Chief Officers now identifies the date of the last update provided (if any) for each action. Each Chief Officer is requested to review this.</p> <p>Appendix E shows the current situation. Of 1,325 actions entered into the system, 1,145 have been implemented and 180 remain live. There are 109 actions overdue. You will see this is higher than previously report however services have needed to prioritise their response to the emergency of the pandemic.</p> <p>As agreed, only those High or Medium priority actions are to be reported to Committee, of which there are 50. These are listed in Appendix F. Appendix G lists those actions that are six months and older from the original due date and where valid reasons have not been provided on progress or how risks are being managed in the interim.</p>
1.06	<p>Appendix H shows the status of current investigations into alleged fraud or irregularities. The table includes the start date of the investigations.</p>
1.07	<p>Appendix I shows the range of performance indicators for the department. Overall performance remains good. Where there has been movement this has been marginal. Particularly:</p> <ul style="list-style-type: none"> • Audit completed within planned time. • Number of client questionnaires returned – this will continue to be monitored.
1.08	<p>Appendix J shows the current position of work on the 2020/21 audit plan. The plan will continue to be reviewed on a regular basis and reprioritised to accommodate any new requests for work, or to respond to emerging issues. Since the last Committee in January, one audit has been included within the plan:</p> <p>Planning Environment & Economy - Pest Control.</p>

2.00	RESOURCE IMPLICATIONS
2.01	None

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

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

5.00	APPENDICES
5.01	<p>Appendix A Levels of Audit Assurance</p> <p>Appendix B Final Reports Issued Since January 2021</p> <p>Appendix C Audit Assurance and Priority of Actions</p> <p>Appendix D Amber Red Assurance Provided</p> <p>Appendix E Action Tracking – Portfolio Statistics</p> <p>Appendix F High & Medium Overdue Actions (including actions older than 6 months if overdue)</p> <p>Appendix G Actions older than six months from original due date and not overdue</p> <p>Appendix H Investigation Update</p> <p>Appendix I Performance Indicators</p> <p>Appendix J Operational Plan 2020/21</p>

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

7.00	GLOSSARY OF TERMS
7.01	<p>Internal Audit:</p> <p>Wales Audit Office: 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>Corporate Governance: 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>Operational Plan: the annual plan of work for the Internal Audit team.</p>
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Flintshire Internal Audit

Progress Report



March
2021

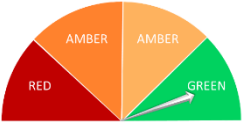
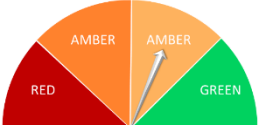
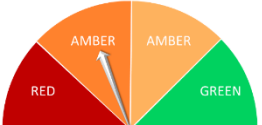
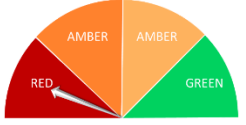
Contents

Levels of Audit Assurance – Standard Audit Reports.....	Appendix A
Final Reports Issued Since Last Committee.....	Appendix B
Audit Assurance Summary.....	Appendix C
Summary of Amber Red / Some Assurance Opinions Issued	Appendix D
Action Tracking – Portfolio Statistics.....	Appendix E
High & Medium Actions Over Due.....	Appendix F
Actions with a Revised Due Date Six Months Beyond Original Due Date....	Appendix G
Investigation Update.....	Appendix H
Internal Audit Performance Indicators.....	Appendix I
Internal Audit Operational Plan 2020/21.....	Appendix J

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 style="text-align: center;">Green – Substantial</p> 	<p>Strong controls in place (all or most of the following)</p> <ul style="list-style-type: none"> • Key controls exist and are applied consistently and effectively • Objectives achieved in a pragmatic and cost effective manner • Compliance with relevant regulations and procedures • Assets safeguarded • Information reliable <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>Follow Up Audit: 85%+ of actions have been implemented. All high priority actions have been implemented.</p>
<p style="text-align: center;">Amber Green – Reasonable</p> 	<p>Key Controls in place but some fine tuning required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact • Some refinement or addition of controls would enhance the control environment • Key objectives could be better achieved with some relatively minor adjustments <p>Conclusion: key controls generally operating effectively.</p> <p>Follow Up Audit: 51-85% of actions have been implemented. All high priority actions have been implemented.</p>
<p style="text-align: center;">Amber Red – Some</p> 	<p>Significant improvement in control environment required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively • Evidence of (or the potential for) financial / other loss • Key management information exists but is unreliable • System / process objectives are not being met, or are being met at an unnecessary cost or use of resources. <p>Conclusion: key controls are generally inadequate or ineffective.</p> <p>Follow Up Audits - 30-50% of actions have been implemented. Any outstanding high priority actions are in the process of being implemented.</p>
<p style="text-align: center;">Red – Limited</p> 	<p>Urgent system revision required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls are absent or rarely applied • Evidence of (or the potential for) significant financial / other losses • Key management information does not exist • System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources. <p>Conclusion: a lack of adequate or effective controls.</p> <p>Follow Up Audit - <30% of actions have been implemented. Unsatisfactory progress has been made on the implementation of high priority actions.</p>
<p>Categorisation of Actions</p>	<p>Actions are prioritised as High, Medium or Low to reflect our assessment of risk associated with the control weaknesses</p>
<p>Value for Money</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 January 2021

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	New Actions		
					High	Med	Low
11-2020/21	Gov	Procurement - Hardware and Software	Risk Based	G	0	0	0
16-2020/21	H&A	Housing Benefits (including Subsidy Grant)	Follow Up	G	0	0	1
12-2020/21	Gov	Subject Access Requests	Risk Based	AG	0	4	4
09-2021/21	E&Y	School Attendance and Exclusions	Risk Based	AG	0	3	0
25-2020/21	SS	Adoption Services	Risk Based	AG	0	2	0
26-2020/21	SS	Continuing Health Care	Risk Based	AR	1	3	1
AC 09 2020/21	SS	Social Services – Vexatious Complaints	Advisory	Advisory	-	-	-
21-2020/21	P&R	Corporate Grants (Replacement of WAO Work)	Grant	Grant	-	-	-

Audit Assurance Summary for 2020/21

Appendix C

Tudalen 179

Portfolio	Number of Reports & Assurance						Priority & Number of Agreed Actions			
	Red	Amber Red	Amber Green	Green	Advisory / Grant - No Opinion Given	In Total	High	Medium	Low	In Total
Corporate				2	3	5			2	2
Education & Youth		3	3		3	9	6	12	12	30
Governance			3	2		5		7	6	13
Housing & Assets			1	1	1	3		3	2	5
People & Resources		1	5		1	7		10	4	14
Planning, Environment & Economy					2	2				
Social Services		1	2	1	3	7	1	6	3	10
Streetscene & Transportation			1		1	2		3		3
External										
Response to Covid 19					5	5				
Total	0	5	15	6	19	45	7	41	29	77

Footnote:	
Red Assurance:	-
Amber Red Assurance:	Risk Based Thematic Reviews: Maes Garmon High; Connah's Quay High; Croes Atti Primary Schools; Collaborative Planning and Continuing Health Care

Social Services : Continuing Health Care – 26-2020/21

Tudalen 180

Areas Managed Well	Areas Identified for Further Improvement
<ul style="list-style-type: none"> The Accountants have regular meetings with BCUHB to ensure that the payments claimed for are accurate and outstanding debts are paid. 	<p>Opportunities for improvement to the control environment have been identified to ensure compliance is maximised. The school has provided a comprehensive action plan which contains the agreed actions, responsible officer and individual due dates to address the areas listed below.</p> <ul style="list-style-type: none"> Whilst Standard Operating Procedures are in place for working with the BCUHB, there is no internal documented procedure for assisting Social Workers in managing CHC cases through to completion. Agreed Management Action: Each service area uses its own DST which is controlled by BCUHB. Management will contact them and determine the correct DST to be used. Management will produce clear local documented procedures to assist the teams in applying for CHC funding, including the DST, monitoring arrangements to completion and how to deal with disputes. Due date for this action: April 2021 Inconsistencies exist in how disputed CHC cases are monitored across the service area teams. Agreed Management Action: Management will review how all disputed CHC claims are being monitored, including the responsibility of claims, the escalation arrangements and the reporting of claims ensuring that a consistent approach is achieved. Due date for this action: July 2021 The reconciliation process for CHC cases is incomplete in that records are not readily available for inspection. Agreed Management Action: Management will review the current arrangements and ensure that a clear and transparent process is in place to allow for the reconciliation and reporting of all active CHC claims from source to invoicing and clarity of where this responsibility sits. Management have put a business case forward to appoint a Continuing Health Care Co-ordinator. Due date for this action: July 2021 The management of disputed CHC cases is not effective as it is unclear what cases are in dispute and a clear and consistent record is not maintained of all cases. Agreed Management Action: The current process has allowed the service to recover a significant amount of £2.4m from BCUHB. Management accept the need for enhancements to the process and we will ensure that all CHC cases in dispute are appropriately managed and progressed through to completion within a timely manner. Due date for this action: July 2021 The formal reporting of management information is not in place. Agreed Management Action: Whilst it is possible to gather the required information we agree that it should be more consistent

Areas Managed Well

Areas Identified for Further Improvement

and readily available and we will ensure that regular reporting will be produced from the centralised system as highlighted within this review. **Due date for this action: July 2021**

Action Tracking – Portfolio Performance Statistics

Appendix E

Tudalen 182

Portfolio	February 2021 Statistics		
	Number of Actions Raised Since January 2016	Actions Implemented since Jan 2016 <i>(including Actions No Longer Valid)</i>	% of Actions Cleared To Date
Chief Executives *	53	47	86%
Education & Youth	100	92	
Governance *	164	141	
Housing & Assets *	178	164	
People & Resources	234	207	
Planning, Environment & Economy *	85	76	
Social Services	125	119	
Streetscene & Transportation	118	107	
External *	33	32	
Individual Schools	235	160	
Total	1325	1145	

Live Actions – February 2021				
Live Actions	Actions Beyond Due Date <i>(excludes Actions with revised due date)</i>			Actions with a Revised Due Date
	H	M	L	
10	-	1	2	3
8	-	2	-	5
23	1	3	-	12
14	-	1	2	5
27	2	6	8	13
9	-	3	1	5
6	-	-	-	5
11	1	4	2	6
1	-	-	-	-
75	1	25	44	10
180	5	45	59	66
	109			

Actions beyond <u>Original</u> due date	
Actions between 6 & 12 months	Actions Greater than 12 Months (13+)
<i>See Appendix F & G</i>	
3	2
-	12
2	9
1	5
10	9
1	8
1	-
1	7
-	-
10	15
29	67

* 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

High and Medium Actions Overdue

Appendix F

Audit	Ref	Action	Priority	Original Due Date	Revised Due Date	Age of Action from Original Due Date (Months)	Last Update Provided	Reason for Revised Due Date and Current Position	How Risk is Being Managed
Chief Executives									
Voluntary Sector Grants - 2019/20	2807	Invoices or equivalent documentation will be requested to support the fees and charges levied by the CFIW. All fees and charges levied by the CFIW in respect of investing our fund monies and administering the grant scheme will be checked as being accurate.	M	31/03/2020	-	11	-	No update	No update
Education & Youth									
Early Entitlement - 2019/20	2899	A disclaimer will be uploaded to the Early Entitlement Management Information system which clarifies / limits the extent to which the non-maintained setting is endorsed by the Council. This will take into account findings 2 (A) and 3 (A)	M	05/01/2021	29/01/2021	2	05/01/2021	This action links to action 2900. and a relevant meeting is booked in for next week (13th January 2021).	

Tudalen 183

Early Entitlement - 2019/20	2900	<p>A consistent process will be developed which seeks to evidence that the pre-requisite checks have been carried out by the umbrella organisations on the non-maintained settings.</p> <p>A record of the checks performed by both the umbrella organisations and the Council on non-maintained settings will be held in a single system/location together with the results of the checks.</p>	M	05/01/2021	29/01/2021	2	05/01/2021	<p>A meeting is booked on 13 January 2021 with umbrella organisations which support non-maintained Early Entitlement settings to discuss the process and protocol of the quality assurance of settings. This meeting has been postponed from last term due to the demands of the response to Covid.</p> <p>In the meantime the new registration form for non-maintained settings to become EE providers for the academic year 2020-21 now includes an instruction for each setting to 'tick to confirm' that a safeguarding policy and public liability insurance are in place and that the setting is able to 'provide a copy if requested'.</p>	<p>The Early Years Support Team are planning meetings to confirm, by mid-February, the documentation which will be checked on an annual basis in EE settings and to agree the increase in responsibility given to EYW for checking documents in NDNA settings.</p> <p>Each year a record of the checks performed by the umbrella organisations on non-maintained settings will be held in a single system/location together with the results of the checks</p>
Governance									
Data Protection Act Compliance 2018/19	2595	<p>The fact Open Housing is delivered by Citrix is not relevant to the application being non-compliant. As part of the GDPR project, workshops were held with System Administrators to test their systems. Test sheets were provided and the intention was the test sheets would be returned to demonstrate compliance. This information was then entered into the spreadsheet to provide assurances to the GDPR Project Board. This is a standing agenda item on all GDPR Project Board minutes. The individual rights listed in GDPR are not absolute and certain individual rights only apply to certain law basis for processing. This means that not</p>	H	31/03/2020	-	11	-	No update	No update

		all systems will need the functionality for all individual rights. By far the Right of Access is the most frequently right exercised and there have been no issued to date with extracting the information from any of the systems. Further analysis of each system would be required to identify the applicable rights to allow further targeted testing to be completed.							
Deferred Charges on Properties 2018/19	2412	A spreadsheet will be set up which records all legal charges that relate to the Council.	M	31/07/2019	31/03/2020	19	12/01/2021	We are reviewing the register which as yet is not complete and will then seek to share this with relevant officers. The register is to be saved on the L drive.	In the meantime notification of completed charges are retained on the legal file and also client departments as notified.
Legal Case Management System 2017/18	2212	Procedural guidance specific to the way the system operates for the Section in 2018 should be compiled and issued to the users of the system. These procedures should state which specific areas of the system officers are supposed to be using and which areas are mandatory i.e. all chargeable time should be recorded on the Iken system. Consideration should also be given to getting users to confirm that they have received the procedural guidance and agree to comply with it.	M	31/03/2020	31/01/2021	23	12/01/2021	We are implementing an upgrade so will align the guidance with this. The upgrade has been implemented but has created a vast amount of user issues which need to be resolved before the guidance can be prepared.	There is a need to perform a data-cleanse to "clean-up" existing data, and to include guidance in an in-house manual for moving forwards including what matter types we will use, how to open a matter, references, naming conventions, retention schedules etc. should all be included in this. At the moment, a list of recommendations regarding the data cleanse is being reviewed with a target date for completion by 31/01/21.
Legal Case Management System 2017/18	2230	To document the objectives and purposes for the use of the Iken System. These objectives should be incorporated into the new procedure notes. Periodically review progress against these	M	31/03/2019	31/03/2020	25	06/01/2021	This needs to be prioritised. In the meantime notification of completed charges are retained on the legal file and also client	We are reviewing the register which as yet is not complete and will then seek to share this with relevant officers. The register is to be

		objectives.						departments as notified.	saved on the L drive.
Housing and Assets									
Travellers - 2018/19 - Transit Site	2352	Significant work is being undertaken by the Council to bring forward transit sites following the endorsement of this work by the Community and Housing Scrutiny Committee in December 2017. The Council has identified a number of sites for detailed appraisal and at the time of the audit, was awaiting comments from Arc4 who had been commissioned on their suitability. It should be noted that no local authority in Wales has a Transit Site.	M	30/09/2020	01/03/2021	5	01/03/2021	The service is now preparing for the start of the Examination Hearing Sessions re LDP. The Gypsy and Traveller Hearing Session is Matter 14 and is presently scheduled for Friday 16th April. We will have no further update until that hearing	
People and Resources									
Main Accounting AP &P2P 2017/18	2620	A new system of management oversight will be introduced to review the duplicate process and the performance of the revised systems put in place.	H	30/09/2019	01/10/2019	17	03/10/2019	Discussion time required to ensure the response is attainable and manageable	
Main Accounting AP&P2P 2017/18	2621	Council no longer publish this data but it is available and from 2019/20 it will be included in the Key Performance Indicators reported as part of the MTF5.	M	30/09/2019	01/10/2019	17	13/01/2020	Needs to be discussed further with the Service Managers	
Payroll 2017/18	2218	Midland have advised functionality is in place to allow for the removal of all required information to comply with GDPR requirements. Internal testing will be completed to provide assurance over this anticipated functionality.	H	30/09/2018	31/01/2020	29	17/01/2020	The functionality still requires testing, further issues/defects may be found during testing and would need reporting to MHR for their investigation. I have requested 30.04.18	
AP & P2P 2018/19	2660	Piece of work to be carried out to determine the approach to be taken to address the issues identified at paragraphs 1, 2 and 3, recognising that these issues are a consequence of poor practice within services around the implementation and management of purchase ordering processes.	M	29/02/2020	-	12	-	No update	No update

		<p>In determining the approach to be taken the Corporate Finance Manager will liaise with the Chief Officer Team to make them aware of the issues and to ensure Chief Officer support in the delivery of the agreed Action Plan (to be developed following agreement of the 'approach' to be taken).</p> <p>In developing the Action Plan it is recognised that a piece of work will need to be carried out to understand the extent of duplicate purchase ordering within P2P, and the impact on the accuracy of year end commitment accounting.</p>							
Annual Leave - 2018/19	2428	<p>"A review should be carried out to ascertain which officers are not using electronic systems to administer and record their annual leave with a view to ensuring that these officers, where possible, will do so in the future.</p> <p>For the remaining officers who use manual systems to administer and record their annual leave, scope out the guidance required to ensure that it is consistent with electronic systems and a consistent set of controls to include an annual return to HR."</p>	M	31/03/2020	-	11	-	No update	No update
Main Accounting AR & Debt Management 2018/19	2734	<p>Write offs will be recommended and actioned on a quarterly basis to ensure the Council can track BDP and adjust provision where necessary. To ensure there are adequate management controls and separation of duties, responsibility for recommending the write offs will remain in the Corporate Debt Team but carrying out the write off transactions will revert back to Corporate Finance.</p>	M	31/03/2020	-	11	31/01/2020	The Write Off process should be transferred back to Finance and his thinking is that it is best suited in Accountancy.	
Payroll 22-2020/21	3057	<p>The data contained with the quarterly over and underpayments statistics will be reviewed within Employment Services: remedial steps will be undertaken to prevent reoccurrence where patterns, trends and causes for concern are found, which will be</p>	M	28/02/2021	-	0	-	No Update Provided	

		<p>fully documented to ensure all actions taken are recorded and evidenced.</p> <p>Already actioned: The claim form that was identified has been amended to request that it be forwarded to the mailbox for receipt of claims for payments: 'Timetrent@flintshire.gov.uk'</p>							
Payroll 22-2020/21		<p>Future BACS related confirmations to IT Productions will be sent from/on behalf of the Employment Services Systems team mailbox (YourHR.System.Management@flintshire.gov.uk)</p> <p>IT Productions will send confirmation to the System Management mailbox (cc person who authorised the file for processing) that the BACS file has been successfully submitted.</p> <p>The Senior Payroll Processors will ensure this action has taken place, to ensure the BACS transaction has been completed.</p>	M	31/01/2021	-	1	-	No Update Provided	
Planning, Environment and Economy									
Section 106 2015/16	285	<p>Some update is required to this LPGN to include references to other Supplementary Planning Guidance which has been put in place since the guidance note was adopted (in particular Supplementary Planning Guidance 23 - Developer Contributions to Education). Planning are aware of the need for update, but will need to wait for the outcome of the consultation on the updated Local and Supplementary Planning Guidance Notes and the adoption of this updated guidance before reviewing LPGN 23.</p>	M	31/06/2016	30/06/2019	56	18/12/2018	<p>Clearly 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</p>	

								LPG 22 is therefore very low and can be managed in due course once individual LPGs are updated. This must therefore be a 'green' in terms of risk status.	
Section 106 2015/16	313	<p>The specifications for on-site play equipment are often challenged by developers, with developers sometimes keen to substitute cheaper equipment (which consequently has an impact on maintenance budgets once the site has been adopted by the Authority). The resulting negotiation of a position acceptable to both the Authority and the developer has an obvious impact on resources within Leisure services.</p> <p>This issue is caused by ambiguity around equipment specifications within LPGN 13, Open Space Requirements.</p>	M	31/07/2016	30/09/2019	56	13/03/2019	The revised SPG has not been completed whilst work on the production of the LDP is prioritised.	
Deferred Charges on Properties 2018/19	2459	<p>There was no formalised and evidenced reconciliation carried out by the Regeneration Programme Lead between the Civica System (or equivalent financial system), the Grants & Loans spreadsheet and Land Registry charge extracts to confirm a charge was in place for all relevant properties.</p> <p>Testing was undertaken to ensure that there was a charge in place for all 2018 grants and loans (this was verified via Internal Audit obtaining Land Registry extracts for all the properties detailed on the Grants and Loans spreadsheet.</p> <p>A formalised and evidenced reconciliation against Land Registry extracts would provide assurances that charges are in place against all relevant properties.</p> <p>This service has transferred over to Community and Business Protection (part of the Planning, Environment and Economy</p>	M	30/04/2019	-	22	25/10/2019	Following the recommendations of Internal Audit a monitoring spreadsheet was created to record Houses to Homes loan application documents. In addition, improved processes have been set up to record and monitor financial information. The monitoring spreadsheet was approved by colleagues from IA and is now being used as template to monitor other property assistance loans products that are provided by FCC.	

		Portfolio) on 1st January 2019. Under these new arrangements the operational responsibilities have been assigned to the Health and Safety Team Leader.							
Streetscene & Transport									
ITU Procurement of Contracts 2017/18	2287	Submissions from new suppliers can be sent at any time during the six year DPS project. There is an obligation to evaluate these responses within 10 working days. If a company is successful they are added into the contract and will automatically receive notifications of mini competitions or RFQ's going forward. The respective service area will be notified of all suppliers who have been approved and it will be their responsibility to ensure that the suppliers have been added to the contract.	M	30/06/2019	-	20		No update	No Update
ITU Procurement of Contracts 2017/18	2278	This action is to be addressed by ITU in undertaking future DPS project and adequate timescales will be provided for the project. Whilst the existing DPS will end in 22/23 the contracts let under the current arrangement will have varying end dates. This will reduce the impact on the service and allow a staggered introduction of routes under the new DPS. The operators will also be more used to completed the necessary documentation prior to inclusion on the new DPS which will ensure this element of the next procurement will be completed more quickly.	H	30/06/2019	29/02/2020	20	01/11/2019	Planning meeting scheduled to discuss preparation & timescales of the renewal of the DPS Meeting scheduled 12.02.2020	No update
Corporate Health and Safety-Use of Plant, Machinery	2468	Job specific training requirements are clearly shown on the safe method of work document for each Streetscene task to ensure that operatives only undertake roles for which they are trained.	M	21/12/2019	01/04/2020	14	23/01/202	No Update	No Update

and Equipment 2018/19		HAV's awareness training attendance has now been recorded on the current skills matrix and documented on the individuals training file. Implement the migration of all training records to itrent to ensure data security and prompt reporting.							
Highways Cost Recovery 2019/20	2717	The schedule of rates will be updated on an annual basis to ensure that actual costs can be recovered and are accurate.	M	31/12/2019	29/02/2020	14	04/02/2020	The schedule of rates used to identify costs incurred, and which is the basis for the rechargeable works has been simplified. Work is on-going to include this schedule in the Council's 'Fees and Charges' which will be reviewed annually going forward.	The schedule of rates used to identify costs incurred, and which is the basis for the rechargeable works has been simplified. Work is on-going to include this schedule in the Council's 'Fees and Charges' which will be reviewed annually going forward.
Highways Cost Recovery 2019/20	2719	"The procedures will be updated to include the process for managing incidents where costs are non-recoverable, including the approval to write-off costs, and all costs incurred will be calculated and reported. Consideration will also be given to reviewing the costs incurred for incidents involving fatalities."	M	31/03/2020	-	11	04/02/2020	All costs are now recorded regardless of whether are recharge is ultimately made. Non-recoverable costs are reported within the Spreadsheet. Portfolio Finance Manager is informed of non-recoverable incidents due to lack of identifying information of the culpable party. A report is going to February 2020 Environment Overview and Scrutiny requesting their support of the approach taken to identify the County's response to incidents that result in fatalities as non-recoverable costs.	

Schools

School Fund – Broughton Primary 2018/19	2682	School fund mandate to be reviewed and updated prior to personnel leaving the role/school. Only one cheque book to be used at a time and this should be kept in a locked safe.	H	30/09/2019	-	17	-	No update	No update
Risk Based Thematic Review 2018/19 - Ysgol Merllyn	2524	The school will ensure that an appropriate person is appointed to the role of Data Protection Officer in line with the Act.	M	31/07/2019	-	19	29/01/2020	The school is trying to contact a DP specialist	No DPO in place
Risk Based Thematic Review 2018/19	2548	The school will contact their Data Protection Officer and arrange for an Information Asset Register to be in place.	M	31/10/2019	-	16	-	No update	No update
School Fund – Ewloe Green 2018/19	2672	The lack of prescription in the Regulations and absence of procedural documents at the schools means there is a risk staff are not clear as to the key controls which need to be in place to ensure the school fund is being used appropriately particularly in the event a business manager/secretary were absent or due to leave the post.	M	31/12/2019	-	14	29/01/2020	This was a single oversight which was due to be reclaimed via budget. School is clear about what expenditure is permitted. New regulations for the school fund expenditure to be presented to Governors at the next Finance Meeting. This will be along with our own operational/procedural documents.	No Update
School Fund – Broughton Primary 2018/19	2683	There is a risk that the school fund is not being effectively scrutinised by the head teachers nor reported regularly to Governing Body or parents across the school year.	M	31/12/2019	-	14	-	No Update	No Update
School Fund – Broughton Primary 2018/19	2684	Broughton Primary school to document the procedures followed in relation to the management of the school fund. This should include actions completed, owners, reporting and reconciliation requirements as	M	30/09/2019	-	17	-	No update	No update

		well as approval mandates.							
School Fund – Gwynedd School 2018/19	2689	The absence of procedural documents at the school means there is a risk that roles and responsibilities are not clearly understood and school staff are not clear as to the key controls which need to be in place to ensure the school fund is being used appropriately particularly in the event a business manager/secretary were absent or due to leave the post.	M	31/12/2019	-	14	-	No Update	No Update
School Fund – Ewloe Green 2018/19	2671	The balance of the School Fund to be reported to the governing body regularly as well as parents. Head teachers to review the reconciliation of the funds accounts on a monthly basis and to sign and date the statements and income and expenditure forms reviewed.	M	31/10/2019	-	16	26/01/2020	Ongoing - due to long absence of HT in Autumn term. Process initiated this month (Jan 2020) 2. Governors presented with SF account and will continue to be a standing agenda item. 3. SF balance to be communicated to parents within annual report.	No update
Schools Audit 2019/20 – Croes Atti Primary School	2837	Appointment of a Data Protection Officer required.	M	31/12/2020	-	2	-	No update	No update
Schools Audit 2019/20 – Croes Atti Primary School	2838	Data Protection Training required.	M	31/12/2020	-	2	-	No update	No update
Schools Audit 2019/20 – Croes Atti Primary School	2839	Information Asset Register not in place.	M	31/12/2020	-	2	-	No update	No update

Schools Audit 2019/20 – St Winefrides Primary	2841	All governors and staff with financial responsibility will complete an annual declarations of interest form.	M	30/09/2020	-	5	28/09/2020	All governors and staff with financial responsibility have been given 2020-2021 declaration of interest forms. Staff forms are all completed and returned. Awaiting governors but all to be returned as soon as possible.	This will be monitored, and if required followed up over the next week or two until all are returned.
Schools Audit 2019/20 - Croes Atti Primary	2847	The school fund account will be verified on a defined basis.	M	03/09/2020	-	5	-	No update	No update
Schools Audit 2019/20 – St Winefrides Primary	2853	The controls for the management of all cash income will be reviewed to ensure that a clear separation of duties exists and that all risks are minimised.	M	30/09/2020	-	5	29/09/2020	A policy and collection of cash form has now been produced. This ensures that two members of staff or committee members are present to first count the money and complete the paying in bank slip. Both these documents will be formally adopted at the first finance meeting of the autumn term. This would have been adopted at the May meeting, however, this did not take place due to lockdown.	As explained at Audit, very little cash is brought into school now by children due to the implementation of School Gateway/Comms, an online system.
Schools Audit 2019/20 – St Winefrides Primary	2856	These lease agreements will be shared with the Governing Body and approval will be sought for any future leases prior to agreement being obtained.	M	30/09/2020	-	5	29/09/2020	Please note that the new Canda copying lease was discussed with governors over video during lockdown, but will be formally shared at the next Finance governors meeting.	Other companies etc were looked at and out ICT specialist made comparisons with other companies and what other Flintshire schools are paying to ensure we have the best deal financially.

Schools Audit 2019/20 – St Winefrides Primary	2858	The school will ensure that an Information Asset Register is created for the school in line with Data Protection regulations as soon as possible.	M	30/09/2020	-	5		No update	No update
Schools Audit 2019/20 – St Winefrides Primary	2865	The income and expenditure of the school fund account to be shared with the Governing Body on a regular basis.	M	30/09/2020	-	5	28/09/2020	The school fund is now included as part of each Headteacher report to governors (termly). This will also be an agenda item on each Finance governors meeting, detailing the balance and any large amounts of income and expenditure. The school fund spreadsheet will also be shared with governors on the finance and personnel committee.	
Schools Audit 2019/20 - Castell Alun High	2915	The School will obtain the Councils Schools Financial Procedures and these will be adopted by the governing body.	M	30/04/2020	-	10	08/09/2020	The latest version of the Schools' Financial Procedures has been adopted by the Governors Finance Committee. This will now be ratified at Full Governors on Thursday 3rd December.	
Schools Audit 2019/20 - Castell Alun High	2918	The controls for the management of all cash income will be reviewed to ensure that a clear separation of duties exists and that all risks are minimised.	M	30/04/2020	-	10	31/05/2020	Due to WG guidance and Covid-19 restrictions, the next Finance Governors' meeting will now take place as a 'virtual' online meeting on 11th June.	The recently developed protocol for a separation of duties for managing school fund income will be presented at this meeting for discussion.
Schools Audit 2019/20 - Castell Alun High	2931	The school will finalise a comprehensive Information Asset Register and comply with the proximities detailed.	M	31/07/2020	-	7	25/09/2020	Due to Covid-19 there has been a delay in the Data Manager completing the IAR. This will be done by end of Sept 2020.	

Schools Audit 2019/20 - Castell Alun High	2936	Consideration will be given to changing the use of bank cards for the school fund account. Online access to the account will also be appropriately shared to allow for the account to be effectively monitored.	M	30/06/2020	-	8	23/09/2020	No update	No update
Schools Audit 2019/20 - Maes Garmon	2946	The school will ensure that a suitable Data Protection Officer is appointed as soon as possible to comply with the regulations.	M	30/09/2020	-	5	-	No update	No update
Schools Audit 2019/20 - Maes Garmon	2947	The school will arrange for an Information Asset Register to be in place as soon as possible.	M	30/09/2020	-	5	-	No update	No update
Schools Audit 2019/20 - Maes Garmon	2951	The school will review the arrangements for auditing the school fund account and will ensure that the regulations are complied with.	M	30/09/2020	-	5	-	No update	No update
Schools Audit 2019/20 - Maes Garmon	2953	The school will review how fundraising events are managed and how the income is controlled.	M	30/11/2020	-	3	-	No Update	No Update

Actions with a Revised Due Date Six Months Beyond Original Due Date and Not Overdue

Appendix G

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
Chief Executive									
Voluntary Sector Grants - 2019/20	2765	A formal signed agreement will be put in place between the Council and the relevant third party organisation which defines the roles and responsibilities of all parties in administering the individual grant schemes, including any fees and charges to be paid to the administrating organisation.	M	31/03/2020	31/03/2021	07/01/2021	This was delayed because of capacity issues created by Covid -19	This is in progress and Legal are finalising the draft Agreement	No Update Provided
Procurement Contract Management 2018/19	2771	<p>Chief Officers to review contract management within their portfolios to ensure;</p> <p>Staff have appropriate skills and experience, and have received appropriate training where required.</p> <p>All contracts over £25k are recorded on the Proactis Contract Register / all contracts on Proactis e-sourcing have been closed down and 'pushed through' to the Proactis Contract Register.</p> <p>Signed contracts are in place to support all contracts on the Proactis Contract Register.</p> <p>Contract Management activity is recorded in the Proactis Contract</p>	M	31/12/2019	31/03/2021	18/11/2020	<p>At the meeting with Corporate Services management team on 20.12.19 it was recognised that due to the late date of the meeting the due date of 31.12.19 was unachievable. Colin has asked for the due date to be extended to the end of February 2020. Managers will be required to completed 'as is' spreadsheets by the end of January, with a full meeting to be scheduled for early February to address issues arising and to pull together the required Action Plan.</p> <p>No impact on risk from a short extension to the due date.</p>	No Update Provided	No Update Provided

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
		Management module where appropriate.							
Procurement Contract Management 2018/19	2778	Contract Management outcomes around high / medium risk contracts to feed into Portfolio management reporting structures.	M	31/12/2019	31/03/2021	18/11/2020	No Update Provided	No Update Provided	No Update Provided
Education & Youth									
Youth Justice 2016/17 Section 198	2045	Devise a contingency business case to identify and mitigate risks against statutory and non statutory grants to assist with the business continuity. 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.	M	31/08/2018	31/03/2021	18/01/2021	Restructuring of Integrated Youth Services Senior Management completed with realignment of Youth Services and Youth Justice Service into two separate elements. Appointment of Senior Manager Youth Justice completed. Posts below Senior Manager position now in process of review and restructuring to appropriately manage the service and identified risks. Expected final completion date 31.3.21.	No Update Provided	No Update Provided
Procurement Contract Management 2018/19	2773	Chief Officers to review contract management within their portfolios to ensure; Staff have appropriate skills and experience, and have received appropriate training where required. All contracts over £25k are recorded on the Proactis Contract Register / all contracts on Proactis e-sourcing have	M	31/12/2019	31/03/2021	18/11/2020	No Update Provided	No Update Provided	No Update Provided

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>been closed down and 'pushed through' to the Proactis Contract Register.</p> <p>Signed contracts are in place to support all contracts on the Proactis Contract Register.</p> <p>Contract Management activity is recorded in the Proactis Contract Management module where appropriate.</p>							
Procurement Contract Management 2018/19	2780	Contract Management outcomes around high / medium risk contracts to feed into Portfolio management reporting structures.	M	31/12/2019	31/03/2021	18/11/2020	No Update Provided	No Update Provided	No Update Provided
Governance									
Joint Corporate Procurement Unit 2017/18	2253	<p>Our review of Governance arrangements identified;</p> <ul style="list-style-type: none"> There is inadequate scrutiny of JCPU objectives and outcomes by Joint Procurement Board (JPB) and by relevant Council committees to address lack of progress with achieving the primary objectives of the JCPU business case around Efficiency, Capacity and Markets (1.1). Delays in the alignment of procurement strategy and procurement activity across the two Councils. Recent changes, e.g. board membership and corporate 	M	31/10/2018	31/03/2021	09/03/2021	URN 2253 has certainly progressed within the last 2yrs and governance in the Joint Procurement Unit is now much stronger, with our quarterly board meetings and reports submitted to board reviewing agreed KPI's and any service challenges an pressures. I'm aware that CPR's were revised by Helen but that these are yet to go to go to Cabinet for approval and may actually need further revision in light of the Social Value Policy, introduction of FastTrack, forthcoming Carbon Neutral Policy and indeed WG Procurement Reform. CPR's	CPRs have been re drafted and are being considered by Chief Officer Governance	Final draft of CPR's is done. I am waiting for the Brexit legislation to come out to confirm the position for the transitional 12 months. It was agreed that until the results of the election we would hold fire because we did not know whether we would even be leaving the EU or if we left would it be with a deal. It seems likely that we will have a transition of 12 months and then leave, and break away

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 200		<p>priorities, means that the strategy contains out of date information (1.2).</p> <ul style="list-style-type: none"> Limited processes in place for measuring and recording efficiency savings achieved through collaborative procurement. There is no evidence that efficiency savings and benefits have been reported to the JPB (1.3). Limited evidence of reporting of KPI's to the JPB / no robust targets in place for KPI's (1.4). Insufficient systems for recording and monitoring the split of procurement staff time across the two Councils (1.5). Meetings of the JPB not taking place on a regular basis, agendas for the JPB meetings not prepared and circulated in advance of meetings and JPB minutes not available for all meetings / minutes not circulated on a timely basis (1.6). Limited monitoring and evaluation of expenditure by category and aggregated spend (across services and/or Councils) by the JCPU to ensure opportunities for efficiency savings through collaborative procurement exercises are identified (1.7). Due to limited availability of data, monitoring of contract end dates by the JCPU cannot 					<p>are something which the new permanent Procurement Manager will need to pick up once recruited.</p> <p>CPRs - these have been re drafted further following leaving with a deal. The current regulations stay in place until the UK government amends them, and there is a transition period for 6 months after 31 Dec 2020 to protect any on gong procurements eg EU regime will apply. I have not taken this any further due to lack of capacity and so this task is outstanding and is probably at risk of not meeting 30 June deadline.</p>		<p>from the EYU rules on procurement, in which case the revised CPR's need some changes to reflect this and also to allow consequential changes to be made by the Chief Officer for Governance upon the UK leaving the EU for good.</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
		take place to ensure opportunities for efficiency savings through collaborative procurement or alternative procurement models are appropriately explored (1.8).							
Joint Corporate Procurement Unit 17/18 Tudalen 201	2262	<p>Action (Ref) 2.2:</p> <p>CPU Business Partners will attend Service Senior Management Team meetings quarterly.</p> <p>The Legal and Procurement Operations Manager will attend Senior Leadership Team/Chief Officer Team six monthly.</p> <p>The Legal and Procurement Operations Manager will consider marketing options that are available at each of the Councils to promote the CPU.</p>	M	31/03/2019	31/03/2021	09/03/2021	<p>On behalf of Lee Evans</p> <p>With regards to URN 2262 I feel that there is buy in across both LA's from Senior Leadership and our Political Leaders and we continue to work with officers at all levels to promote collaboration and now have an escalation process in place for drawing Gareth's attention to any issues the Procurement Business Partners may experience in getting officers/service areas in FCC/DCC to collaborate on tenders.</p> <p>Due to the unprecedented events occurring as are result of CIOVID19 this will have to be put back as priority of future work is currently unknown.</p> <p>Follow up report has now been issued (October 2019) - MK needs to reflect the content of that report, so this agreed action (previously included as implemented) has had to be re-opened to reflect the 1 x o/s point re marketing.</p>	This has not been actioned to date due to availability of resources.	No Update Provided
Procurement Contract	2726	"In addition to delivery of the Action Plans developed by Chief	M	31/03/2020	31/03/2021	03/11/2020	Legal has been tasked with providing training and this was	The COG has started to complete	Audit and Legal met in Sept and went

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>Management 2018/19</p> <p style="text-align: center;">Tudalen 202</p>		<p>Officers following the portfolio reviews agreed at finding (1);</p> <p>Development of a formal training programme for contract managers to ensure;</p> <p>Appropriate awareness of the issues to be considered in ensuring effective delivery of Community Benefits / Social Value.</p> <p>Appropriate awareness of the risks around the use of sub-contractors in the delivery of contracts & understanding of the activity which should be carried out as part of the contract management process to ensure terms and conditions around the use of sub-contractors are being complied with.</p> <p>Appropriate awareness of the use of performance indicators / performance data requirements within contract terms and conditions & the robustness of processes in place for the validation and monitoring of performance data.</p> <p>Appropriate awareness of the requirement to include all contracts on the Proactis Contract Register and to ensure a robust understanding of the processes for uploading signed contracts onto Proactis.</p>					<p>to commence in March but due to Covid has been delayed.</p>	<p>a training programme for the delivery of Contract Management trg across FCC.</p>	<p>through in some detail the package or trg to deliver and this has altered somewhat as he will be delivering this over the internet, Web Ex currently.</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
		Use of the Proactis Contract Management module."							
Tudalen 203	2594	<p>Guidance on drafting a Privacy Notice is available to all staff via the Infonet. When requested and as part of the Data Protection Impact Assessment process, the Information Governance Team review Privacy Notices.</p> <p>The Phase 2 GDPR Action Plan includes the following task:</p> <p>Update system to allow copies of privacy notices to be held against information assets.</p> <p>The Denbighshire privacy notice is a compliance issue for Denbighshire as the data controller and not Flintshire as the data processor.</p>	M	31/12/2019	31/12/2021	06/01/2021	Agreed at GDPR Project Board. All forms available for printing/downloading on the FCC website and Infonet to be identified and privacy notice reviewed. This review will be jointly conducted by web team to remove obsolete forms and develop electronic versions of the forms.	This is part of a wider programme of work looking at digital transformation. Before the privacy notices will be amended each service will need to confirm whether the form is still required. Once confirmation has been received the form is still required, advice will be given on the adequacy of the privacy notice and it will be for each service to amend the form.	No Update Provided
	2596	<p>At the June 2019 Information Compliance Operational Group it was agreed that Data Protection training should be recorded against post and not person. Work has commenced with the following objectives set</p> <ol style="list-style-type: none"> 1. Review existing DP training and analyse posts to determine which level should be recorded. This needs to be by Portfolio and channelled through DPR's 2. Agree process with HR for changing once Portfolios have 	H	31/12/2019	31/03/2021	06/01/2021	Agreed at GDPR Project Board. Work already well underway however not all Portfolios have provided the information back.	Housing & Assets still outstanding, raised at the December ICOG meeting and previous meetings.	No Update Provided

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 204		<p>signed off correct training level for each Post</p> <p>3. Review iTrent for DP training options</p> <p>4. Review new post creation process to ensure DP training is mandatory</p> <p>Data Protection training statistics are reported to COT on a monthly basis, along with the GDPR Project Board and every Information Compliance Operational Group. The need to complete Data Protection training and record in iTrent has been included in numerous Data Protection newsletters.</p> <p>Each Portfolio representative is provided with detailed lists of training status for each member of staff with their area.</p>							
	Procurement Contract Management 2018/19	2772	<p>Chief Officers to review contract management within their portfolios to ensure;</p> <p>Staff have appropriate skills and experience, and have received appropriate training where required.</p> <p>All contracts over £25k are recorded on the Proactis Contract Register / all contracts on Proactis e-sourcing have been closed down and 'pushed through' to the Proactis Contract Register.</p>	M	31/12/20219	31/03/2021	18/11/2020	No Update Provided	No Update Provided

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>Signed contracts are in place to support all contracts on the Proactis Contract Register.</p> <p>Contract Management activity is recorded in the Proactis Contract Management module where appropriate.</p> <p>The evidence retained to support contract management activity is appropriate and robust.</p> <p>Delivery of Community Benefits / Social Value is appropriately monitored.</p> <p>Compliance with contract clauses around the use of sub-contractors is appropriately monitored.</p> <p>Appropriate inclusion of performance indicators / performance data requirements within contract terms and conditions, and appropriate monitoring of contractor performance data.</p> <p>Chief Officers will develop Action Plans for each of their portfolios to ensure any issues identified in the reviews carried out (above) are appropriately addressed.</p>							
Procurement Contract Management 2018/19	2779	Contract Management outcomes around high / medium risk contracts to feed into Portfolio management reporting structures.	M	31/12/2019	31/03/2021	18/11/2020	No update provided	No Update Provided	No Update Provided

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
Housing & Assets									
Procurement Contract Management 2018/19	2784	Contract Management outcomes around high / medium risk contracts to feed into Portfolio management reporting structures.	M	31/12/2019	31/03/2021	18/11/2020	No Update Provided	No Update Provided	No Update Provided
People & Resources									
Corporate Grants 19/20 Tushien 206	2794	Separate arrangements are currently in place for the recording of information in relation to grant management activity. The merits of continuing to use of the CGD will be reviewed by Management and with a view to developing an alternative solution for use from 2020/21.	H	30/06/2020	31/03/2021	12/01/2021	Impact of Covid-19. Grants are still being managed by individual teams albeit, on their own electronic files, maintaining all the appropriate documentation and all teams will transition over to the new grants spreadsheets by financial year end.	No Update Provided	No Update Provided
Corporate Grants 19/20	2803	Separate arrangements are currently in place for the recording of information in relation to grant management activity. The merits of continuing to use of the CGD will be reviewed by Management and with a view to developing an alternative solution for use from 2020/21. The current CGD has too many system glitches and poor functionality, hence the reason to move to the new alternative solution as soon as possible. The excel spreadsheet has been created for all Capital Grants. Management Accounting officers are currently working with the	H	30/06/2020	31/03/2021	12/01/2021	As above	No Update Provided	No Update Provided

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
		Capital Team to progress rolling this out for Revenue Grants. Training for all users will be provided on the new system.							
Corporate Grants 19/20 Tudalen 207	2862	Grant Checklists have been completed and signed prior to submission to Wales Audit Office as part of the external audit process. All grant checklists will be retained by grants contacts for keeping on file. Separate arrangements are currently in place for the recording of information in relation to grant management activity. The merits of continuing to use of the CGD will be reviewed by Management and with a view to developing an alternative solution for use from 2020/21. The manual records provided with the grant claim to WAO currently provide them with sufficient information to substantiate the grant claim	H	30/06/2020	31/03/2021	12/01/2021	As above	No Update Provided	No Update Provided
Corporate Grants 19/20	2802	The necessary training will be provided with the new alternative CGD solution. e.g. Manager Grants Database workshops. Communication and awareness to be provided to relevant officers in the Portfolios to ensure the requirements for grant funding/bids are known and shared with Finance. Consideration of grant funding	M	30/06/2020	31/03/2021	12/01/2021	As above	No Update Provided	No Update Provided

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
		streams already forms part of the normal budget monitoring process involving finance and the service lead.							
Planning Environment & Economy									
Minerals & Waste Planning 2018/19 Tordalen 208	2488	Draft contract is being prepared and the, NWPOG are meeting on Friday 12 th April 2019 to discuss further.		31/12/2019	30/04/2021	15/03/2021	Signed SLA due 01.04.2021	The draft SLA was circulated to partner authorities, however questions relating to legal interpretation / clarity of the agreement were raised by some of the partner authorities. We are looking for the agreement to be signed for the new financial year 2021.	No Update provided
Minerals & Waste Planning 2018/19	2489	A business plan will be written including the objectives of the service, costs and performance measures to ensure strategic objectives are met. This will enable the aspirations of any future expansion of the service to be clearly recorded and presented professionally in		31/12/2019	30/04/2021	15/03/2021	Linked to the SLA due to be implemented 01.04.2021	The business plan was circulated and there was broad agreement with its objectives. Progress is linked to 2488 above as the SLA and business plan are part of the same documentation,	No update provided

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
		order to expand the service to new Partners.						with flexibility built in to the business plan so that changes may be made without having to redraft or re-sign the SLA.	
Houses to Homes 2019/20 Tudalen 209	2815	A quarterly reconciliation to take place between service area Houses to Homes tracker, the information available on the CIVICA system for the Houses to Homes Loans and the finance budget information.		31/03/2021	30/06/2021	12/03/2021	Quarterly reconciliation between tracker and finance but information not inputted onto civica system due to no admin resource - recruitment taking place for admin support end May 2021 - revised due date changed to reflect this.	Quarterly reconciliation between tracker and finance but information not inputted onto civica system due to no admin resource - recruitment taking place for admin support end May 2021 - revised due date changed to reflect this.	No Update Provided
Procurement Contract Management 2018/19	2783	Contract Management outcomes around high / medium risk contracts to feed into Portfolio management reporting structures.	M	31/12/2019	31/03/2021	18/11/2020	No Update Provided	No Update Provided	No Update Provided
Social Services									
Child Protection - Performance 18/19	2961	Development of a smarter approach to risk assessment at CFCT triage. Decision makers to be clear as to the required timescales for the completion of	M	30/06/2020	28/02/2021		As above	No Update Provided	No Update Provided

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
		s47 and care & support assessments (10 days or 42 days). (CFCT - process to be developed alongside completion of action URN 02962).							

Investigation Update

Appendix H

Ref	Date Referred	Investigation Details
1. New Referrals		
1.1		Nil received
2. Reported to Previous Committees and still being Investigated		
2.1	25/05/2019	Planning Application. The investigation is ongoing.
3. Investigation Completed		
3.1	A referral had been received in relation to a license agreement. Findings have been reported to management and agreed action in place.	

Internal Audit Performance Indicators

Appendix I

Tudalen 212

Performance Measure	19/20	Qtr 1 20/21	Qtr 2 20/21	Qtr 3 20/21	Qtr 4 20/21 (Jan / 12 Mar)	Target	RAG Rating	
Audits completed within planned time	84%	-	-	100%	75%	80%	A	↓
Average number of days from end of fieldwork to debrief meeting	8	-	-	3	9	20	G	↓
Average number of days from debrief meeting to the issue of draft report	7	-	-	1	1	5	G	→
Days for departments to return draft reports	7	-	-	3	1	7	G	↑
Average number of days from response to issue of final report	2	-	-	1	1	2	G	→
Total days from end of fieldwork to issue of final report	26	-	-	6	16	34	G	↓
Productive audit days	76%	-	-	71%	79%	75%	G	↑
Client questionnaires responses as satisfied	97%	-	-	100%	100%	95%	G	→
Return of Client Satisfaction Questionnaires to date	47%	-	-	100%	53%	80%	R	↓

-Key					
R	Target Not Achieved	A	With-in 20% of Target	G	Target Achieved
↑	Improving Trend	→	-No Change	↓	Worsening Trend

Audit – 2020/21	Priority	Status of Work	Supporting Narrative
Corporate			
COVID19 - Emergency Management Assurance	H	Complete	
COVID19 - 5 Key Financial Decisions review	H	Complete	
COVID19 - Risk Method Statement - challenge and improve	H	Complete	
Education & Youth			
Risk Based Thematic Reviews of Schools	H	In Progress	
Attendance, Exclusions and Disengagement of Young People	H	Complete	
Schools Grant Funding / Budgeted Licence Deficit	H	Not Started	Quarter 4
Education Grants - Professional Development Grant (PDG)	Annual	Complete	
Governance			
COVID19 - Business Support Grants	H	Complete	
Procurement - Hardware and Software	H	Complete	
Subject Access Requests (Now Access Requests)	M	Complete	
Procurement - Contract Monitoring – Follow Up Audit	Follow Up	Complete	
Data Protection (GDPR)	Annual	Deferred	Deferred until April 2021
Housing & Assets			
Rough Sleeping	M	Deferred	At the request of Management
Data Analysis – Cost of Homelessness	Advisory	In Progress	Quarter 4
Housing Benefits - Emerging Risks	Annual	Complete	
Supporting People Grant	Annual	Complete	
People & Resources			
Cost and reclaim for COVID	H	Complete	
Business wide Income and Arrears from COVID	H	Complete	
Collaborative Planning	H	Complete	
Corporate Grants Database – Follow Up	Follow Up	Complete	
Corporate Grants (Replacement of WAO Work)	Annual	Complete	
Main Accounting - Accounts Payable (AP) and P2P	Annual	Complete	
COVID19 – Test, Trace and Protect	H	Ongoing	
Health & Safety and Wellbeing of Employees	H	Complete	

Audit – 2020/21	Priority	Status of Work	Supporting Narrative
Payroll	Annual	Complete	
Organisational Ethics and Values	M	Deferred	Deferred from 2019/20 to 21/22
Planning, Environment & Economy			
Houses of Multiple Occupancy	H	Not Started	Quarter 4
Home Improvement Loans	M	In Progress	
Pest Control	New	In Progress	
Planning Enforcement - Ombudsman Report Compliance	Advisory	Complete	
Social Services			
COVID19 – Early Entitlement	H	Complete	
Adoption Services	H	Complete	
Continuing Health Care	H	Complete	
Quality Assurance	M	Complete	
Social Services Vexatious Complaints	M	Complete	
Direct Payment - Financial control	M	Not Started	Quarter 4
Streetscene & Transportation			
Bus Transport Operator supply chain risks	H	In progress	
Parc Adfer - Contract Management and Associated Risks	H	Complete	
Procurement & Contract Management / Monitoring	H	Not Started	Quarter 4
Loss of O Licence	M	In Progress	
Highways Structures and Bridges – Inspection and Maintenance	M	In Progress	
External			
Pensions Investment, Management & Accounting	H	Complete	
SLA - Aura - 17 days	Annual	Not Started	Quarter 4
SLA - NEWydd - 19 days	Annual	Not Started	Quarter 4
Advisory / Project Groups			
COVID19 - TTP Regional Planning Group	Ongoing	Ongoing	
COVID19 – TTP Flintshire Project Group	Ongoing	Ongoing	Now FCC Oversight Group
COVID19 – TTP Workforce Workstream	Ongoing	Ongoing	Now HR / TTP Leads Group with the 6 LAs
COVID19 – Bronze Group - Postal	Ongoing	Complete	
COVID19 – Temporary Hospital Provision	Ongoing	Complete	
COVID19 – Emergency Management Response Team	Ongoing	Complete	

Audit – 2020/21	Priority	Status of Work	Supporting Narrative
COVID19 – Emergency Response for Local Businesses Silver Tactical Group	Ongoing	Complete	
COVID19 – Governance and Legal Silver Tactical Group	Ongoing	Complete	
COVID19 – Governance Recovery Group	Ongoing	Ongoing	
COVID19 – Organisational Recovery Group	Ongoing	Ongoing	
COVID19 – Business Compliance Group	Ongoing	Ongoing	
COVID19 – Logging at Tactical Group	Ongoing	Ongoing	
New Flare System Development Group	Ongoing	Ongoing	
GDPR Project Board	Ongoing	Ongoing	
Digital Strategy Board	Ongoing	Ongoing	
Corporate Governance Working Group	Ongoing	Ongoing	
Accounts Governance Group	Ongoing	Ongoing	
Wales Chief Internal Auditors Group	Ongoing	Ongoing	
Programme Coordinating Group	Ongoing	Ongoing	
Corporate Health & Safety Group	Ongoing	Ongoing	
Corporate Data Protection Group	Ongoing	Ongoing	
Financial System	Ongoing	Not Started	
Dementia Friendly Council Steering Group	Ongoing	Ongoing	

Glossary

Risk Based Audits	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.
Annual (System Based) Audits	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.
Advice & Consultancy	Participation in various projects and developments in order to ensure that controls are in place.
VFM (Value For Money)	Audits examining the efficiency, effectiveness and economy of the area under review.
Follow Up	Audits to follow up actions from previous reviews.
New to Plan	Audits added to the plan at the request of management. All new audits to the plan are highlighted in red.
Audits to be Deferred	Medium priority audits deferred. These audits are highlighted in green within the plan.

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 12



AUDIT COMMITTEE

Date of Meeting	Wednesday, 24 th March 2021
Report Subject	Action Tracking
Report Author	Internal Audit Manager
Category	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

1.00	EXPLAINING THE ACTION TRACKING REPORT
1.01	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. Full action tracking details within Appendix A.
2.00	RESOURCE IMPLICATIONS
2.01	None as a result of this report.

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

4.00	RISK MANAGEMENT
4.01	None as a result of this report.

5.00	APPENDICES
5.01	Appendix A – Action Points.

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

7.00	GLOSSARY OF TERMS
7.01	None.

AUDIT COMMITTEE – ACTION SHEETPresented Wednesday, 24th March 2021

29 th January 2020				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
52	Treasury Management Strategy 2020/21	To report back to the Committee later in the year on actions to meet the new requirements on non-treasury investments and compliance with disclosures on skills, culture and climate change.	L. Thomas	Discussions ongoing with Treasury Management Advisors. Update to be given later in this calendar year.

Tudalen 219

9 th September 2020				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
76.	PSIAS	To ensure that benchmarking data against other authorities is shown in future PSIAS reports.	L Brownbill	Benchmarking data to be included in future PSIAS reports. Due to the pandemic benchmarking has not taken place to date. This has resumed. If the data is available this will be included within the Internal Audit Annual Report 2020/21.

18 th November 2020				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken

6.	School Balances 31/3/2020	Reserve y/e	To include data over a three year period in future annual reports on school balances.	L Morris	Future report to include three year period.
10.	Approach to the 2020/21 AGS		To check availability of the Chair, Cllr Heesom, Cllr Johnson, Sally Ellis and Allan Rainford for the workshop in March/April 2021.	G Owens / L Brownbill	This workshop is has been provisionally booked for 21/03/2021.
14.	Forward Programme	Work	To consider how best to share the approach to managing risks identified during budget-setting to give assurance to the Committee.	G Owens / J Davies	This will be included within the Audit Committee Forward Work Programme

Tudalen 220

27 th January 2021				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
19.	Treasury Management Strategy 2021/22 and Q3 Update 2020/21	To consider the suggestion of a future briefing session on the use of bond investments.	G Ferguson / P Vaughan	Treasury Management advisors have been invited to attend a session prior to the 2 nd June meeting to explain use of bond investments to Members.
20.	Code of Corporate Governance	To consider for future versions of the Code (i) retaining Section 2 as an appendix and (ii) to reinforce references to organisational resilience.	Lisa Brownbill	This will be include in the 2021/22 Code of Corporate Governance.
25.	IA Progress Report	To circulate the Planning Enforcement report (Environment & Economy OSC).	S Thomas	An email providing an update on Planning Enforcement was circulated to all member on 3 rd February 2021

25.	IA Progress Report	To circulate an update on the position on school funds.	L Brownbill	This will be provided to the committee once the school reviews have been completed.
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Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 13



AUDIT COMMITTEE

Date of Meeting	Wednesday, 24 th March 2021
Report Subject	Forward Work Programme
Report Author	Internal Audit Manager
Category	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

1.00	EXPLAINING THE FORWARD WORK PROGRAMME
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	<p>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:</p> <ol style="list-style-type: none"> 1. Will the review contribute to the Council's priorities and/or objectives? 2. Is it an area of major change or risk? 3. Are there issues of concern in governance, risk management or internal control? 4. Is it relevant to the financial statements or financial affairs of the Council? 5. Is there new government guidance or legislation? 6. Is it prompted by the work carried out by Regulators/Internal Audit? 												
1.03	<p>Following the Committee meeting in January there has been a need to move two items in the forward work programme. Both the Chair and Vice-Chair of the Audit Committee have been consulted on this movement. This is reflected below:</p>												
	<table border="1"> <thead> <tr> <th data-bbox="592 752 1027 831">Report</th> <th data-bbox="1027 752 1219 831">Reason for Movement</th> <th data-bbox="1219 752 1347 831">Original Date</th> <th data-bbox="1347 752 1442 831">New Report Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="304 837 587 954">Certification of Grants and Returns</td> <td data-bbox="592 837 1027 954">To allow time to prepare a response to the report.</td> <td data-bbox="1219 837 1347 954">Mar 2021</td> <td data-bbox="1347 837 1442 954">Jun 2021</td> </tr> <tr> <td data-bbox="304 960 587 1108">Private Meeting</td> <td data-bbox="592 960 1027 1108">To allow sufficient time between meetings as the last took place November 2020 due to the pandemic</td> <td data-bbox="1219 960 1347 1108">Mar 2021</td> <td data-bbox="1347 960 1442 1108">Sep 2021</td> </tr> </tbody> </table>	Report	Reason for Movement	Original Date	New Report Date	Certification of Grants and Returns	To allow time to prepare a response to the report.	Mar 2021	Jun 2021	Private Meeting	To allow sufficient time between meetings as the last took place November 2020 due to the pandemic	Mar 2021	Sep 2021
Report	Reason for Movement	Original Date	New Report Date										
Certification of Grants and Returns	To allow time to prepare a response to the report.	Mar 2021	Jun 2021										
Private Meeting	To allow sufficient time between meetings as the last took place November 2020 due to the pandemic	Mar 2021	Sep 2021										

2.00	RESOURCE IMPLICATIONS
2.01	None as a result of this report.

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

4.00	RISK MANAGEMENT
4.01	None as a result of this report.

5.00	APPENDICES
5.01	Appendix A - Draft Forward Work Programme.

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

7.00	GLOSSARY OF TERMS
7.01	<p>Governance - 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>Risk Management - The process of identifying risks, evaluating their potential consequences 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 a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p> <p>Internal Control - Appropriate procedures and processes are in place to mitigate any risk which may prevent the organisation from achieving its objectives and service delivery.</p> <p>Financial Management - The planning, organising, directing and control of the financial activities of the Council to ensure sufficient resources are available to delivery its intended outcomes.</p> <p>Audit Wales - 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>

Mae'r dudalen hon yn wag yn bwrpasol

AUDIT COMMITTEE - FORWARD WORK PROGRAMME 2020/21Presented to Committee – Wednesday, 24th March 2021

Meeting Date	Agenda Item	Author
24th March 2021	Treasury Management 2020/21 Q4 Update	Paul Vaughan
	Risk Management Update	Jay Davies
	Audit Plan (AW)	Audit Wales
	Annual Report on External Inspections 2019	Jay Davies
	Internal Audit Strategic Plan 2021/2024	Lisa Brownbill
	Public Sector Internal Audit Standards Compliance 2020/21	Lisa Brownbill
	Internal Audit Progress Report 2020/21	Lisa Brownbill
	Audit Committee Action Tracking	Lisa Brownbill
	Forward Work Programme	Lisa Brownbill
2nd June 2021	Certification of Grants and Returns Report (AW)	Gary Ferguson
	Draft Annual Governance Statement	Robert Robins / Lisa Brownbill
	Internal Audit Annual Report 2020/21	Lisa Brownbill

Meeting Date	Agenda Item	Author
	Internal Audit Progress Report 2021/22 Audit Committee Terms of Reference Audit Committee Action Tracking Forward Work Programme	Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill
28th July 2021	Treasury Management 2021/22 Q1 Update and Annual Report 2020/21 Supplementary Financial Information to Draft Statement of Accounts 2020/21 Risk Management update 2021/20	Paul Vaughan Paul Vaughan Jay Davies
September 2021	Statement of Accounts 2020/21 Internal Audit Progress Report 2021/22 Audit Committee Action Tracking Forward Work Programme Private Meeting (AW and Internal Audit)	Gary Ferguson Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill
November 2021	Risk Management update 2021/22 and Mid-Year report School Reserves – Annual Report on School Balances	Jay Davies Claire Homard / Lucy Morris

Meeting Date	Agenda Item	Author
	Audit Committee Annual Report Asset Disposals and Capital Receipts Grant Claim Certification Internal Audit Progress Report 2021/22 Audit Committee Action Tracking Forward Work Programme	Cllr Chris Dolphin / Lisa Brownbill Neal Cockerton Gary Ferguson Lisa Brownbill Lisa Brownbill Lisa Brownbill
January 2022	Annual Audit Summary (AW) (2019/20) Treasury Management 2020/21 Q3 Update and 2021/22 Strategy Code of Corporate Governance Internal Audit Charter Internal Audit Progress Report 2020/21 Audit Committee Action Tracking Forward Work Programme	Jay Davies / Gary Ferguson Paul Vaughan Robert Robins / Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill

Biennial Reviews

Meeting Date	Agenda Item	Author
January 2021	Anti-Fraud and Corruption Strategy & Fraud Response Plan	Lisa Brownbill
January 2021	Whistleblowing Policy	Lisa Brownbill
November 2022	Financial Procedural Rules (Biennial)	Sara Dulson