

AUDIT COMMITTEE

Date of Meeting	Wednesday, 6 June 2018
Report Subject	Internal Audit Progress Report
Report Author	Internal Audit Manager

EXECUTIVE SUMMARY

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

The current report is attached.

RECOMMENDATIONS

1	To consider and accept the report.
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REPORT DETAILS

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 normal reporting process. The report is divided into several parts.
1.02	<p>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.</p> <p>Since March 2018, one 'Red' or 'Limited' assurance opinion has been issued for Disabled Facility Grants (DFG). Details of this review is noted within Appendix C. Copies of all final reports are available for members if they wish to see them.</p>
1.03	At the request of the committee Appendix D provides an overview of those

	audits reports issued with an Amber Red assurance opinion.
1.04	<p>The automatic tracking of actions continues using 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. E-mails are also sent to them and copied to Chief Officers if actions are not completed on time. Monthly reports are also sent to Chief Officers informing them of outstanding actions for their teams.</p> <p>The system was rolled out from the 4th January 2016, including requiring all managers and Chief Officers to register. It included all actions from reports issued since April 2015, along with outstanding actions previously tracked.</p> <p>Appendix E shows the current situation. Of 732 actions entered into the system 653 have been cleared and 80 remain live. There are no overdue actions to be reported.</p> <p>Appendix F lists all actions with a revised due date of six months from the original due date and a note on how the risk is being managed. For each revised due date entered onto the system, the officer is required to provide a reason to support this change.</p>
1.05	Appendix G shows the status of current investigations into alleged fraud or irregularities. The table includes the start dates of the investigations.
1.06	Appendix H shows the range of performance indicators for the department. Performance continues to meet the current targets set however there has been a slight reduction in 'Average number of days from response to issue of Final Report' and in the number of Client Questionnaires returned and this is reflected in the stats. This will continue to be monitored.
1.07	Appendix I shows the current position of work being finalised from the 2017/18 plan.
1.08	Appendix J shows the current position with regards to the 2018/19 plan.
1.09	On a quarterly basis the 2018/19 plan will be reviewed and reprioritised to accommodate new requests for work or to respond to emerging issues. Since April 2018 we have had one new request for work.
1.10	Review of the annual plan (since it was submitted for approval in March 2018) has identified a formula error in the calculation of available days which will require the number of days in the plan to be reduced. Due to the change in the operating model, the plan is due to be reviewed with the Chief Officers in light of their new areas of responsibility. Any reduction to the plan will be made to the medium priority audits. High priority audit will not be affected. Any changes will be reported back to the next Audit Committee.

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

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 March 2018</p> <p>Appendix C – Red / Limited Assurance Reports Issued</p> <p>Appendix D – Amber Red Assurance Reports Issued</p> <p>Appendix E – Action Tracking – Portfolio Statistics</p> <p>Appendix F – Actions with Revised Due Date Six Months Beyond Original Due Date</p> <p>Appendix G – Investigation Update</p> <p>Appendix H – Performance Indicators</p> <p>Appendix I – Operational Plan 2017/18 (Carry Forward)</p> <p>Appendix J – Operational Plan 2018/19</p>

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>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</p>

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.

Wales Chief Auditors Group: An informal meeting group of Chief Auditors to discuss items of mutual interest.

Operational Plan: the annual plan of work for the Internal Audit team.