

Contents

Section	Title	Page No
1.	Introduction	1
1.1	The Definition & Role of Internal Audit	1
1.2	Professional Standards	1
1.3	Declaration of Independence	1
2.	Internal Audit Assurance for 2018/19	2
2.1	Context	2
2.2	Resources	2
2.3	Internal Audit Opinion	3
2.4	Scope of Internal Audit Opinion	3
2.5	Basis of the Opinion	3
2.6	Level of Audit Coverage during the year	5
2.7	Assurance Levels	6
2.8	Other Internal Audit Work	6
2.9	Anti-Fraud and Corruption and Investigations	6
2.10	Advisory / Consultancy Work	6
2.11	Auditing Third Parties	7
2.12	Internal Audit Performance	7
	Appendix A : Internal Audit Assurance Level	8
	Appendix B : Internal Audit Opinions and Agreed Actions 2018/19	9
	Appendix C : PSIAS – Quality Assurance Improvement Programme	10

1 Introduction

1.1 The Definition and Role of Internal Audit

The definition of Internal Auditing in the Public Sector Internal Audit Standards (PSIAS) is as follows:

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

The role and responsibilities of the Flintshire County Council's Internal Audit Service are outlined in the Internal Audit Charter, which has been approved by the Audit Committee and is part of the Constitution. It also specifies the department's independence, authority, scope of work and reporting arrangements. All audit work is carried out in accordance with the contents of the Charter.

The role of Internal Audit is to provide an independent and objective opinion to the organisation on the overall adequacy and effectiveness of the framework of internal control, risk management and governance. Internal audit is therefore a key part of Flintshire County Council's assurance cycle, and if used effectively, can inform and update the organisation's risk profile. Internal Audit is just one of the sources of assurance available to the Council and Audit Committee, that assists the Council prepare the Annual Governance Statement.

1.2 Professional Standards

The professional responsibilities for Internal Auditors are set out in the International Standards for the Professional Practice of Internal Auditing, published by the Chartered Institute of Internal Auditors (CIIA) in the UK and Ireland. Public Sector Internal Audit Standards (PSIAS) are based on these Standards.

The Standards require the Audit Manager to develop a Quality Assurance and Improvement Programme (QAIP), designed to enable an evaluation of Internal Audit's conformance with the Standards. The QAIP must include both internal and external assessments. External assessments must be completed at least every five years. Internal assessments must include:

- Ongoing monitoring of the performance of the Internal Audit activity; and
- Periodic self-assessments

Ongoing monitoring of performance is in place. The quality of audit work is ensured by the use of an audit manual, ongoing supervision and management of staff and the review of all audit work. Performance targets are set and actual performance reported to quarterly Audit Committee meetings.

An external assessment of Flintshire's Internal Audit Service against the Standards is required every five years. This was undertaken in March 2017 by the Chief Internal Auditor, Ceredigion County Council and the final external assessment report was presented to audit committee in June 2017.

The external assessment advised that the Internal Audit Service is currently conforming to 329 standards, with four partial conformance, one non-conformance and five suggestions for further improvement. The area of non-conformance had already been identified during the internal

self-assessment, as the need to undertake assurance mapping within the Council. This was completed during 2018/19.

A self-assessment against the Standards has been completed and the results reported to the Audit Committee in March 2019. The Internal Audit Service was self-assessed as being generally conforming. The Internal Audit service maintains a quality assurance improvement programme (QAIP). The programme includes the evaluation of the Internal Audit service's conformance with the Standards and an evaluation of whether internal auditors apply The Institute of Internal Auditor's Code of Ethics and the QAIPS components to ensure continuous improvement.

QAIP reflects the actions following the external assessment and the annual self-assessment. This was presented to audit committee in March 2019 and within Appendix C of this report.

Overall internal and external assessment concluded:

Following both the internal self-assessment and the external assessment, the Internal Audit Service Generally Conforms to the Standards.

That means that the relevant structures, policies and procedures for the department, as well as the processes by which they are applied, comply with the requirements of the standards and of the Code of Ethics in all materials respects.

General Conformance does not require complete / perfect conformance, the ideal situation etc.

1.3 Declaration of Independence

During the year 2018/19, all Auditors have acted with integrity and objectivity. At no point has their independence been compromised.

Annually each Auditor completes an independence and pecuniary interest declaration to identify any pecuniary or non-pecuniary interests they have. Where declarations are made work is allocated on the basis to ensure a conflict does not exist.

Internal Audit is well positioned within the Council to ensure independence remains. The Internal Audit Manager reports direct to the Chief Officer, Governance and the Council's Monitoring Officer and has direct access to and meets bimonthly with the Chief Executive.

2 Internal Audit Assurance for 2018/2019

2.1 Context

The Internal Audit Service to Flintshire County Council is required to provide the Council (through the Audit Committee) with an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving that opinion it should be noted that assurance can never be absolute. The most that the Internal Audit Service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

There have been no limitations made on the scope of Internal Audit coverage during the year.

2.2 Resources

At the start of the year in April 2018, the department was fully staffed and we were also successful in our application for a graduate trainee who started within the service in September 2018. At the end of the year the Principal Auditor who was already working a flexible retirement arrangement retired from the Council after 42 years. We have experienced difficulties in recruiting to this post and in the interim this is being covered by the remaining Principal Auditor and the Audit Manager. Overall the team had sufficient resources within the team to draw a reasonable conclusion on the adequacy and effectiveness of Flintshire County Council's governance, risk management and internal control arrangements.

2.3 Internal Audit Opinion

For the year ending 31 March 2019, based on the work we have undertaken, my opinion is that Flintshire County Council has an adequate and effective framework of governance, risk management and internal control.

Two audits were given a 'Red / Limited' assurance level during the year (2017/18, three audits, 2016/17 four audits & 2015/16 six audits), where an urgent system revision was required. These audits were spread across portfolios indicating that weaknesses are not concentrated in any one area. Whilst these audits indicated areas where controls needed to be improved, they are not significant in the context of the Authority's whole control environment.

Overall 75% of assurance opinions issued were either Green or Amber Green providing the Committee assurance that of the audits undertaken this year in the main there are effective arrangements in place for governance, risk management and internal Control.

An analysis of the category of actions raised during 2018/19 primarily relate policy and or operational matters of the service. The graph on the following page provides you with a further information of the other category of actions raised during 2018/19.

Categories of Actions



From the graph above the majority of actions raised during 2018/19 relate to operational matters and policy and procedures.

2.4 Scope of the Internal Audit Opinion

In arriving at that opinion, I have taken into account:

- The results of all internal audits undertaken during the year ended 31 March 2019 (see Appendix B for a summary of audit opinions and number of agreed actions);
- The results of follow-up action taken in respect of audits from previous years;
- The appropriateness of the proposed action by management to address control weaknesses and consequent risks;
- Matters arising from previous reports or other assurance providers to the Audit Committee and/or Council;
- No limitations have been placed on the scope of Internal Audit;
- No resource constraints have been imposed upon us which may have impinged on our ability to meet the full internal audit needs of the organisation; and
- Where weaknesses have been identified I am happy that appropriate action plans are in place to address those weaknesses and to mitigate risks.
- During 2018/19, 244 actions were raised and 178* (73%) were implemented to date. The remaining have not reached the due date.

** Some may relate to previous years audit reviews.*

2.5 The Basis of the Opinion

In reaching this opinion the following factors were taken into particular consideration:

Corporate Governance

A Corporate Governance Working Group operated during the year and were charged with updating and co-ordinating the annual governance self-assessment, and preparing it in line with the seven principals from the CIPFA/SOLACE guidance on ‘delivering good governance’ in Local Authorities in Wales released in 2016.

The group was chaired by the Corporate Business & Communications Executive Officer, and members included the Internal Audit Manager, Democratic Services Manager, Corporate Business and Communications Support Officer, IT Business Services Manager, Senior Manager Human Resources and Organisational Development and a Principal Accountant. The group updated the Council's Code of Corporate Governance, then prepared and drafted the Annual Governance Statement. The group issued corporate governance self-assessment assurance questionnaires to Chief Officers and Chairs of Overview and Scrutiny Committees, reviewed and challenged the responses and reported the results. This process provided an opportunity for senior officers to consider the effectiveness of governance arrangements. The group also considered the overall assurance framework.

The Annual Governance Statement explains how Flintshire County Council complies with its own Code of Corporate Governance, in line with the seven principles and also meets the requirements of the Accounts and Audit (Wales) Regulations 2018. The Annual Governance Statement includes actions to cover:

- Emerging risks and areas for improvement following a review against the Code of Corporate Governance.
- Enhance on the performance already made
- Strategic risks of the Council.
- Those audits issued with a Red / Limited assurance during the year.

A mid-year report on the actions within the Annual Governance Statement is to be provided to Cabinet and Audit Committee for consideration.

The Council is subject to external inspections by WAO, Estyn, and CIW. Assessments undertaken by WAO are both on a local and national level where the Council may be part of thematic review. Regardless of whether the Council is directly involved, the Council performs a self-assessment against the reports' findings. All actions from external inspections are monitored. The Council has not subject to any inspections from Estyn or CIW during 2018/19.

The Annual Improvement Report (AIR) summarises the audit and regulatory work undertaken at the Council by the Wales Audit Office. At the time of this report, the final 2018-19 AIR had not been published; however, the draft AIR report from WAO has confirmed that there are no significant issues arising which would raise concern.

No formal recommendations have been made during the year and there are four new voluntary proposals for improvement. An executive response to the reviews is set out.

Information Governance

Information Governance is a major component to the overall governance framework of the Council. To ensure the Council's IT infrastructure is secure, IT Services is subject to a number of external inspections and these are detailed in the table on the following page.

Area of IT Independently Assessed	Independent Assessor	Supporting Information
IT Infrastructure:	Public Services Network (PSN)	To assess the Council's infrastructure and ensure it is meeting best practices as define by the Cabinet Office in Line with National Cyber Security Centre (NCSC) Guidance. The assessment is undertaken annually. The last assessment was completed in March 2019 where the Council was compliant with the PSN requirements.
IT Infrastructure:	Cyber Essentials Plus (CEP)	There are two elements to this independent assessment. Cyber Essentials is a desktop self-assessment and the plus element is an independently verified element of the assessment. The target date from Welsh Government for all Local Authorities to achieve this is April 2020. The Council has opted for this date, undertaken a desktop assessment and identified a number of areas that require attention. The service is currently in the process of setting up a Cyber Security Group across IT Services where a combined action plan for PAN and Cyber Essential Plus will be developed to ensure work is coordinated and have oversight where one assessment may impact on another.
Information Management & Address Standards:	Geoplace	Monthly assessment undertaken of the Council's address data to ensure the addresses used to populate the National Land and Property Gazetteer meet the required Standards. The Council has been award the Gold Standard for this assessment.
Information, Processes and Procedures around Financial Systems	Wales Audit Office	As part of the annual audit, WAO considers the adequacy of the Council's security and interfaces with the Council's financial systems. No actions have been raised following this review.
Website Accessibility	SOCITM	Better Connected Accessibility testing, it is undertaken independently externally and doesn't use a pass or fail outcome. However the external assessor scores and uses a traffic light system to give a general picture. This score takes in to consideration a range of features including; Accessibility, Functions, Links, Code Quality, Performance and Brand. Flintshire achieved an overall score of 5.2 with an amber assessment in December 2018. An action plan has been developed to improve this and website content improvement forms a key element of the Council's Digital Strategy.

Any actions arising from these external assessments are monitored and managed by IT services ensuring any developments required are implemented to support and complement the role out of the Digital Strategy.

Risk Management

Revised Risk Management Policy and Strategy was issued during 2017/18, with an enhanced risk escalation process included. Quarterly progress reports against the Council Plan have been presented to Overview and Scrutiny Committees. During the year a new risk structure for management oversight has been adopted to cover four areas; these being Corporate Strategy, Corporate Governance, Portfolio Strategy and Portfolio Operational. The Corporate Governance risks include those identified within the Annual Governance Statement.

All Council Plan risks are monitored through CAMMS, the Council's performance and risk management system, and reported to Corporate Resources Overview Scrutiny Committee and Audit Committee quarterly.

During the year the Chairs and Vice Chairs Liaison Group was established. Whilst in its infancy the group will consider the Council's risk and emerging risks, allocating responsibility for the monitoring between the relevant Overview and Scrutiny Committees and Audit Committee.

The Strategic Risks are consideration when identifying the audit work for the forthcoming year. My annual opinion is also informed by the number of risk based audit assignments completed during the year review.

Internal Control

Audits were carried out in all areas of the Council during the year. The overall level of control found in audit assignments this year was good. 75% of audits resulted in a 'green' or 'amber green' assurance level. No area stood out as being worse than the others. In all cases the findings were reported to the Audit Committee. During 2018/19, 244 actions were raised to improve the internal control, risk management and governance arrangements across the authority of which 178* (73%) of actions have been implemented (67% implemented during 2017/18). Implementation of actions continue to show a high degree of compliance with the agreed timescales. All actions are monitored and progress reported to Chief Officers monthly and at each Audit Committee meeting. Summary results are given in Appendix B, together with definitions of the assurance levels (Appendix A). * some of these action may relate to previous years audits.

2.6 Level of audit coverage during the year

The number of reviews / audit work in each area of the Council is detailed in the table below.

Audit Coverage							
Review Type	High	Medium	Annual	A&C	New	Deferred	Total
Corporate	4	2	1	1	2	5	5
Education and Youth	7	2	1		1	1	10
Governance	4	2	3	1		2	8
Housing & Assets	4	6	4			3	11
People and Resources	4	5	4		2	2	13
Planning, Environment & Economy	2	2	1		2	2	5
Social Services	1	4	1			2	4
Streetscene and Transportation	2	1	1		1		5
External	1		2		1		4
Total	29	24	18	2	9	17	64
	73						

The original annual plan showed 73 audits / areas of work to be undertaken. The approach to managing the audit plan changed for 2018/19 and this was approved by Audit Committee in March 2018. It was agreed that the plan would be reviewed quarterly with Chief Officers and their senior management team. All high priority audits would be undertaken and any new requests for audit assistance would be considered and replace (where applicable) medium priority audits. This approach worked well again. In total 9 new requests for additional advisory / consultancy / audit work were received and undertaken. During the year, changes to the plan were reported back to audit committee.

Status of 2018/19 Audit Plan						
Priority	Completed	Draft Report	In Progress	Deferred	Ongoing *	Total
High	17	2	4	6		29
Medium	8	1	5	10		24
Annual / Follow Up	11	4	2	1		18
Advice & Consultancy	1				1	2
Position Original Plan	37	7	11	17	1	73
New Requests	7		1		1	9

* Due to the nature of this work, the advice and consultancy is provided on an ongoing basis e.g. membership of a working group.

There is always a time lag in terms of the dates of audits. The audit plan for the following financial year will always include work carried over.

Carried forward work, additional audits and deferrals always make a comparison of actual work completed against the plan more difficult. However, within 2018/19, including carry forward work, 63 final reports were brought to the Audit Committee and at the time of this report a further seven have been issued or due to be issued as draft awaiting finalisation and eight reviews were near completion. Overall the 2018/19 plan was substantially completed.

All the deferred audits were considered during the planning meetings for the 2019/20 to 2022/23 audit strategic plan and included as part of the risk assessment when forming the strategy.

2.7 Assurance Levels

The definitions for the assurance levels are given in Appendix A of this report. The tables in Appendix B show the assurance opinions and number of agreed actions made in 2017/18.

2.8 Other Internal Audit Work

In addition to the reviews analysed in the Appendix B, we have also carried out the following internal audit work during the year.

Area of Work	Comments
Schools Control Risk Self-Assessment (CRSA)	CRSA Self-Assessment carried out. Responses received from 64 Primary schools and 12 Secondary Schools
Schools Audits	5 school audits
Investigations	See 2.9 below
National Fraud Initiative	11 days on work relating to National Fraud Initiative
Advisory work	91 days on advisory work in the year
Grant audits	4 audit of grants

2.9 Anti-Fraud and Corruption and Investigations

During 18/19 the Whistleblowing Policy, Anti-Fraud and Corruption Strategy and the Fraud and Irregularity response Plan was reviewed, updated and approved by Audit Committee in January.

At the start of the year there were four live investigations. During the year ten more were started and eleven were completed leaving four ongoing investigations at the end of the year. Out of the ten investigations, five investigations were as a results of whistleblowing, two following complaints received and the remaining three were following a referral from management. In total 64 days was spent on investigations. The nature of these investigations covered in the table below:

Nature of the Investigations	No.
Procurement: Tender Evaluation, Award of Contracts and Variations to Contracts	5
Submission of Invoices	1
Recruitment	2
Mileage	1
Operational and Procedural	1

Of the ten new investigations, six were within Streetscene and Transportation, one related to Community and Enterprise, one Planning, Environment and Economy and one within Social Services.

2.10 Advisory / Consultancy work

This includes work that, in some cases, does not result in an audit report and or assurance opinion however adds value to the Authority by contributing to working groups or providing advice. Examples include:

- Advice on GDPR Project Group and Board
- Membership of the Corporate Governance Working Group
- Membership of Accounts Governance Group
- Membership of the E-Procurement Board
- Membership of the Programme Co-ordinating Group
- Advice to County Hall Campus Working Group
- Advice on the Council's approach to method and forecasting statements
- Review of Method Statements
- Pay modelling
- Disabled Facility Grants (DFG) oversight board

It should be noted that the number of days spent on advisory work (91 for 2018/19) continues to remain high over the last three years (124 days for 2017/18, 79 days for 2016/17) and demonstrates the noticeable rise in requests for Internal Audit to become involved in emerging issues and working with the organisation to ensure a robust control environment is in place.

2.11 Audit of Third Parties

Following the transformation changes of services and the creation of Aura Leisure and Libraries and NEWydd in 2016/17 the Internal Audit Service has a 3 year SLA to deliver an internal audit service to these organisations. Given we are now entering the last year of the SLA with the third Party discussions will be held soon requiring their future requirements.

During 2018/19 20 days Audit Service was delivered to Aura Leisure and Libraries and 10 days delivered to NEWydd. In both organisations the audit reports were received and accepted by their respective Boards.

2.12 Internal Audit Performance

The performance of the department against performance measures and targets is set out below.

Performance against target is reported to each quarterly Audit Committee, and is summarised in the table below. Overall apart from two targets all were achieved or exceeded the internal targets. Performance is reported to Audit Committee on a quarterly basis.

There continues to be a decline in the number of questionnaire returned and in the time taken for departments to return draft reports. This however is more a reflection of the detailed work undertaken and greater stakeholder involvement and should not be seen negatively.

Internal Audit Performance Indicators

Performance Measure	Q1	Q2	Q3	Q4	18/19 Total	18/19 Target
Reported to Committee	June 18	Sept 18	Jan 19	Mar 19		
Audits completed within planned time	87%	86%	83%	67%	81%	80%
Average number of days from end of fieldwork to debrief meeting	7	11	9	9	9	20
Average number of days from debrief meeting to the issue of draft report	1	3	1	5	3	5
Days for departments to return draft reports	3	0	1	2	3	7
Average number of days from response to issue of final report	1	2	2	2	2	2
Total days from end of fieldwork to issue of final report	19	33	21	30	26	34
Productive audit days	80%	79%	78%	82%	80%	75%
Client questionnaires responses as satisfied	100%	100%	100%	100%	100%	95%
Return of client satisfaction questionnaires	40%	86%	40%	75%	60%	80%

Levels of Assurance – Standard Audit Reports

Appendix A

The audit opinion is the level of assurance that Internal Audit can give to managements and all other stakeholders on the adequacy and effectiveness of controls within the areas 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 will be reported to the Audit Committee.

Level of Assurance	Explanation
<p>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>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>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: 51-75% of actions have been implemented. All high priority actions have been implemented.</p>
<p>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: 75%+ of actions have been implemented. All high priority actions have been implemented.</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>

Internal Audit Opinions and Recommendations 2018/19

Appendix B

Auditable Area	Number of Reports & Audit Opinions						Priority & Number of Agreed Actions			
	Red	Amber -	Amber +	Green	Advisory / Grant - No Opinion Given	In Total	High	Medium	Low	In Total
Corporate					4	4	-	-	-	-
Education and Youth			10	4	2	16		21	48	69
Governance	1	1	3	1		6	3	28	8	39
Housing & Assets		2	4		2	8	2	11	15	28
People and Resources	1	2	5		4	12	5	23	31	59
Planning, Environment & Economy		1		1	2	4	2	2	3	7
Social Services			4			4		6	8	14
Streetscene and Transportation		2			2	4		11	8	19
External		1	1		3	5	1	2	6	9
Total	2	9	27	6	19	63	13	104	127	244

PSIAS –Quality Assurance Improvement Programme (QAIP)

Appendix C

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

Ref	Conformance with the Standard	Compliance	Planned Actions	Responsible Officer	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 Implemented March 2020	Fraud risk analysis is undertaken as part of each audit review. Whistleblowing training has been delivered to Social Services. Anti-Fraud and Corruption Strategy and Fraud Response Plan has been updated and presented to audit Committee in February 2019. Once approved by Council this will be launched on Council's Infonet and website. Develop an online reporting solution which would support digital and customer strategies during 2019/20. This has been delayed from 2018/19 action.
2400 (EA)	Communicating Results- The Service cited a benefit of allowing one of the 'timing' performance indicators (PIs) to run over the set target.	Suggestion	The Service should consider reviewing the performance indicator to ensure it is meaningful.(2400)	LB	Implemented Ongoing	The PI's were reviewed in September 2017 and two were amended to reflect ways of working. As part of the Welsh Chief Internal Auditors group a separate review will be undertaken to assess the effectiveness of all PIs. The committee will be updated

Ref	Conformance with the Standard	Compliance	Planned Actions	Responsible Officer	Timescale	Comment
						once this review has been completed.
2050 (SA & EA)	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	Non Compliance	Assurance mapping to be completed in 2017.(2050)	LB	Implemented	An Assurance Mapping exercise was undertaken as part of the development of the 2019/20-2021/22 Strategic Audit Plan.
1000 (EA) (SA)	The internal audit charter does not define the term 'senior management', for the purposes of the internal audit activity. (EA) The Audit Charter does not make reference to auditing a third party. (SA)	Partial	(EA) The Service could insert a definition in the Independence & Authority (para 6, point 5) of the IA Charter, or revise the Charter by inserting a catch-all statement such as "For the purposes of Internal Audit activity, the Audit Committee is equivalent to the 'Board' and the Chief Officers' Team constitutes 'Senior Management'. (1000) LGAN (SA) Following the transfer out of Leisure & Libraries and Cleaning & Catering Services, the Charter needs to be updated to define the nature of the assurance provided to Aura and NEWydd. (1000.A1)	LB	Implemented	The Charter has been updated and presented to Audit Committee in June 2019 to: <ul style="list-style-type: none"> Define the term of Senior Management. Deferred from March 2018 to July 2018. Include reference to auditing a third party (Aura / NEWydd).

Ref	Conformance with the Standard	Compliance	Planned Actions	Responsible Officer	Timescale	Comment
1110 (EA)	The PSIAS specifically requires the Chief Executive to undertake, countersign, contribute feedback to or review the Audit Manager's performance appraisal (PSIAS 1110 – S/A point 6). It is required that feedback is also sought upon the appraisal from the Chair of the Audit Committee (PSIAS 1110 – S/A point 7).	Partial	The issue has been discussed with the Interim Internal Audit Manager. It is acknowledged that due to the governance structure of the Authority, the current procedure has been deemed sufficient. However, this may be re-addressed to achieve full conformance with the PSIAS in future.(1110)	LB	Ongoing	<p>The current procedure has been deemed sufficient given the Chief Officer Governance and the Chief Executive attend each Audit Committee meeting. Direct contact is also in place between the Internal Audit Manager with the Chief Officer, Governance, the Chief Executive and the Chair and Vice Chair of the Audit Committee. Any performance issues would be addressed immediately rather than wait for a formal appraisal. This point will be picked up for future appraisals.</p> <p>In relation to the appointment of the Internal Audit Manager, the Chair of the Audit Committee, Chief Executive, and Chief Officer, Governance were involved.</p>
2110 (SA & EA)	Internal Audit reviews the activities in place that manage and monitor the effective implementation of the 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 the design, implementation and effectiveness of the Council's ethics related objectives, programs & activities. (2110.A1)</p>	LB	Ongoing	<p>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.</p> <p>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.</p>

Ref	Conformance with the Standard	Compliance	Planned Actions	Responsible Officer	Timescale	Comment
1120 (EA)	The regular rotation of work between officers has not been documented in the Service's Charter.	Suggestion	The Service could insert an additional statement under the 'Independence and Authority' section of the Charter confirming regular rotation of work is usually adhered to in order to further enhance independence and objectivity. (1120)	LB	Implemented	Whilst the Audit Charter has been updated and presented to Audit Committee in June 2019, it should be acknowledged that ensuring independence and objectivity is a priority within the team; however, in some instances a conscious decision has been made to use the same auditor for key system reviews to develop expertise and specialism within the team as this adds value to the audit and reduces resources.
2110 (EA)	ICT projects are included in the audit plan, which, together with other ICT assurances, support the organisation's strategies and objectives. However, this is not currently noted in the Annual Report.	Suggestion	To support the annual opinion further, the Section could consider noting the assurance gained from the ICT audit work undertaken during the year in the 'Governance' section of the Annual Report. (2110.A2)	LB	Implemented	Reference to external assurance was included within the Annual Report since 2017/18 and will be included in all future annual reports.
2330 (EA)	The Service has its own documentation retention policy which is currently a stand-alone document.	Suggestion	The Section could consider inserting the audit retention policy in full in the Audit Manual which is the document that ensures all internal audit staff are adequately informed on the Service's methodology, policies and procedures.(2330.C1)	LB	Implemented	The document retention policy has been reviewed and included an appendix within the Audit Manual.

Ref	Conformance with the Standard	Compliance	Planned Actions	Responsible Officer	Timescale	Comment
2120 (SA)	Internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	Generally Comply Identified opportunity for further improvement	There is further opportunity to develop the process for delivering consultancy / advisory work to have a more structured approach.	LB	March 2020	New action for 2018/19.
2210 (SA)	Value for money criteria has been considered, including the organisation's main types of resources been considered, e.g. money, people and assets?	Generally Comply Identified opportunity for further improvement	Include as part of future scopes whether management are making best use of resources.	LB	March 2020	New action for 2018/19.